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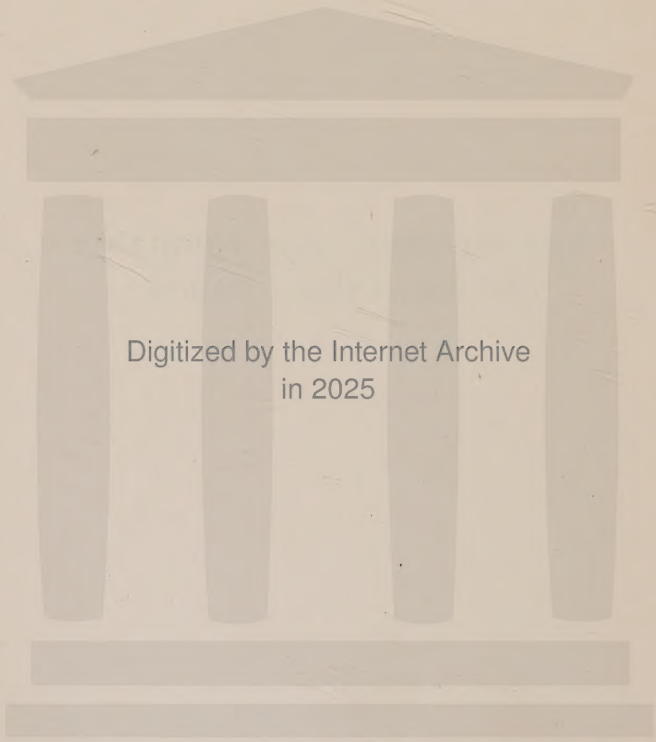

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THE HISTORY AND PROBLEMS OF ORGANIZED LABOR

BY

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2 I O

PREFACE

THE aim of this volume is to present briefly the important facts in the history of organized labor in the United States, to analyze the chief problems which directly or indirectly affect the labor organizations of the present decade, and to evaluate the functions of organized labor in the industrial and political world. The history of American labor organizations presents to the observer a rapidly changing and almost bewildering picture of which few careful studies have been made. The government, ideals, practices, solidarity, and inter-relationships of such organizations have experienced, and are at present undergoing, a variety of transformations. It is the purpose of the writer to present to the student of industrial problems and to the general reader a straightforward study of the forces which have caused labor organizations to appear and to assume a variety of forms. The aim is not to justify or to condemn the practices and ideals of organized labor or of employers' associations, but to analyze the phenomena of which the practices and ideals are the visible manifestations. Labor organizations, employers' associations, strikes, boycotts, the demand for the closed shop, the sweating system, and the ideals and point of view of organized labor or of organized capital are evolved through the play of social forces working within the economic field. The modern labor problem cannot be understood, and certainly cannot be solved, until the underlying causative forces, new and old, physical and social, are laid bare.

References are placed at the end of each chapter to assist the student in the selection of material for collateral reading.

The writer wishes to acknowledge his indebtedness to his wife for her unfailing sympathy and aid in the preparation of this book.

REVISED EDITION

The ten-year period, 1911–1920, which has elapsed since the first edition appeared, has been marked by significant changes in the field of labor problems and of industrial management. Without modifying the scope of the volume, the writer has aimed to bring the material up to date.

FRANK T. CARLTON.

GREENCASTLE, INDIANA, June, 1920.

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THE HISTORY AND PROBLEMS OF ORGANIZED LABOR

CHAPTER I

THE SIGNIFICANCE OF ORGANIZED LABOR

For indefinite centuries men have been seeking for the solution of various problems relating to the toilers. Students of ancient history have disclosed the struggles of the plebeian or slave class against the patrician or ruling class, centuries before the Christian era. The labor problem is a problem of all nations, all peoples, and all centuries. The factors change but the problem remains. History is really a story of the struggle of the masses upward; true history is a chronicle of the relations of man to man in the struggle for existence and the subdual of natural forces. Migrations, wars, changes of dynasties, new social and political alignments are but the outward and visible signs of adjustments of man to his physical and social environment. Our labor problems, past and present, are the growing pains of society. Social adaptation does not move smoothly in well lubricated grooves. Friction is very apparent in the form of social inertia, custom, laws, and class interests. Slavery and serfdom have disappeared; but traces of those older forms still remain. The arrogance of employers and of the wealthy is but the survival of what was a much lauded virtue in the feudal and military age. The docility and unquestioning obedience so frequently expected of workers are the old virtues of the slave and serf clothed in the costume of a nominally free worker.

In the last century and a fraction enormous industrial changes have taken place. As a direct consequence problems have arisen which were utterly unknown and unimagined a few generations ago. The problems which we are to study have developed out of the changes which have followed what is commonly called the "Industrial Revolution." This industrial revolution is not the only one in the world's history. The use of bronze or iron tools, for example, precipitated an industrial revolution. The development of agriculture constituted another such revolution. In the eighteenth century the invention of the steam engine marked the opening of a rapid and important transformation in social, political, and industrial affairs. More recently the steel rail, the I-beam, the copper wire, and the daily paper have been "blind revolutionists," and have shared in ushering in a new social and industrial era. In order to settle the disturbed human caldron a new alignment of individuals and associations of individuals is necessary. Organizations of wage earners are instrumentalities which have arisen out of the complexity and confusion incidental to the industrial changes of the nineteenth century. The study of the problems relating to labor and labor organizations should be primarily a study of causes; it may logically be called a branch of social physics. Labor unions, employers' associations, strikes, boycotts, the demand for the closed shop, and the ideals and the point of view of the unionists are evolved through the play of forces working within the economic field. These problems and the tendencies in the near future cannot be intelligently studied, and the problems certainly cannot be solved, until the underlying causative forces, new and old, physical and social, are laid bare.

A labor organization may be defined as "a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment." Since slaves and serfs are not wage earners all associations of these working classes are not to be included in a study of labor organizations. Whether

the various associations and gilds of the medieval cities were the prototypes of the modern labor organizations need not be here discussed. It is beyond controversy that the conditions which have developed the labor organization of the last of the nineteenth and the first of the twentieth century are very dissimilar from those which produced the gild system, and that the form of organization adopted and the methods used are also quite dissimilar. Again, the ideals and methods of organized labor change with industrial modifications, and also vary from trade to trade, or industry to industry. Remembering the variability and mutability of unionism, a search may be made for the essential institutions or social forces which have welded wage earners into the stable and aggressive unions of today. Reduced to the simplest terms, these are two in number: (1) the separation of the workers from the means of production, and (2) the extraordinary increase in the powers of production due to the use of natural forces and machinery.

As long as the workers used the tools with which they worked, or owned both the tools and the products of their labor, the worker was not a wage earner. Before the modern trade union could arise the cleavage between employer and employee, between capitalist and wage earner, must become quite distinct. The rise of unionism is coincident with a horizontal cleavage within what had been one industrial class. With the growth of the factory system the cost of the tools and machinery and of the workshop increased; and, consequently, the line of demarcation between employer and employed grew more distinct. Unions appeared before the factory became an important industrial factor; but the factory is primarily responsible for the widespread and coherent form of modern labor organizations. The increasing use of machinery and of natural forces in manufacturing and in transportation multiplied the amount of capital necessary to efficiently carry on any industrial enterprise. This circumstance still further widened the breach between the

employer and his employee, and reduced the capillarity of the wage-earning class. Meanwhile the limits of the market area were being rapidly pushed further and further; and people were becoming interdependent. Unionism, at first purely local and intra-trade, has become national and international and inter-trade. But the central strand in this intricate web of cause and effect is the transformation of the worker into a mere purveyor of labor power.

Preceding the nineteenth century and the use of natural power and machinery, leisure and comfort were considered to be the birthright of only a few. Hard and almost continuous toil on the part of the multitude was necessary to eke out an existence. With the enormous increase in the productive capacity of the world has come the possibility of a shorter working day and of a rising standard of living for the mass of toilers. Modern unionism has for its direct aim the betterment of working conditions; and such betterment has been made possible through the technical advances consummated during recent generations. The first unions were exclusive and monopolistic; they aimed to raise a few workers in a given trade. The present tendency is toward more inclusive organization, in order to secure for labor as a class a portion of the benefits of industrial progress. No wide-spread and inclusive labor organization could exist until the long era of scarcity was succeeded by one in which a sufficiency is possible for all. Labor organizations do not become important factors in the community until after the problems centering around the distribution of wealth, rather than around the production of wealth, become of foremost importance. In a democracy, modern labor unions may utilize two forms of activity in order to accomplish their purposes, — purely economic and political. Up to the present time, the chief reliance of the unionists has been placed upon the purely economic activities.

With the exception of a few organizations committed to the

doctrine of socialism, organized labor accepts the present industrial order. It assumes that the employer-capitalist is a necessary factor in production. The value of the product of a given establishment may be divided into different funds, — wages, rent, interest, profits, replacement. The labor organization is formed to increase as much as possible the fraction of the total which goes to the laborer in the form of wages. The wage earners assume that wages are not definitely fixed in an automatic way; they are convinced that through associated effort wages may be increased. At the outset, it is fitting that brief consideration should be given to the limits of this "debatable ground." How high may wages permanently rise, and how low may wages permanently fall? The maximum amount which an employer can afford to pay an employee is the equivalent of the increased productivity of the plant because of the employee's efforts. But the productivity of the employee depends not merely upon his skill and efficiency but also upon the manner in which his labor is directed and correlated with that of others. The upper limit may also be raised by using improved machinery, by utilizing by-products and eliminating wastes, and by securing law and order and the safety of investments. Unwise action on the part of labor organizations may tend to lower the upper limit. Frequent resort to strikes, undue restriction of output, successful resistance to the introduction of machinery or new processes of performing work, and opposition to the training of apprentices will sooner or later lower the upper wage limit or retard its upward movement. The lower wage limit is the absolute minimum necessary to prevent the physical, mental, and moral deterioration of the workers. Ordinarily, the actual minimum varies with different classes of work. It depends, as a rule, upon the standard of living required of the particular trade at that particular time and in that particular locality. The skilled worker usually has a higher standard of living than the unskilled laborer; and the

lower wage limit of the latter is lower than in the case of the former.

Within these two limits the actual wage received will be fixed. The exact rate depends upon a variety of circumstances, such as the bargaining ability of the workers and the monopoly power of the employer. The bargaining power of the isolated worker is very slight. His knowledge of the labor market and of the urgency of the need of the employer is slight; and his own need of employment is frequently urgent. Again, the manual worker is by reason of his occupation inexperienced in bargaining. The individual bargain is usually indefinite and unstandardized. Collective bargaining, or the bargaining of employees as a group, removes many of the disadvantages which militate against the isolated individual wage earner, and it tends to standardize the conditions of employment, — hours, speed, time, and methods of payment and the like. Through strong unions and well organized systems of collective bargaining wages may be increased; but it is not within the power of wage workers using the purely economic methods of unionism to eliminate differential rents and many forms of monopoly gains.[1]

Real wages in the accepted technical sense mean the sum total of the necessities, comforts, and luxuries purchased with the money received as wages by the wage earner. This definition is too narrow. In a broader sense, real wages include not only the goods and services secured with money wages, but also the services rendered the individual by the community. Government ownership of quasi-public business and the taxation of monopoly profits and differential rents may reduce the costs of certain services and increase the sum total of the services rendered by the community to its members.[2]

[1] Webb, *Industrial Democracy*. Part 3, Chapter 2.

[2] See article by the writer, "The Influence of the Tariff and Monopoly upon the Increasing Cost of Living," *Proceedings of the Michigan Academy of Science*. 1910.

The political activities of labor organizations may have a double purpose. (1) Legislation may be secured which will remove all hindrances to the bargaining activities of labor organizations and improve the working conditions in factories and workshops. This is the ordinary form of labor legislation. (2) Organized labor may demand laws which will divert monopoly profits and growing differential gains into the public treasury; and insist that this added revenue be so utilized as to increase the services of the community to its members.

The significance, the benefits, and the evil features of organized labor cannot be adequately apprehended by the student unless it is clearly seen that the cleavage in the industrial class which has led to the emergence of an employing or capitalist class and of an employed or wage-earning class, and to the development of modern labor organizations, has likewise produced viewpoints which are diametrically opposed to each other, and which cannot be logically reconciled unless the working and social environments of the men holding these contradictory views are taken into consideration. Employees speak bitterly of practices which employers declare are essential to the efficiency of their establishments and to the maintenance of their rights as property owners. On the other hand, employers denounce the workers for practices which the latter assert are necessary to prevent the degradation of the wage-earning class. At least two reasons may be given for this situation. The first is the more evident and better known. The employer is primarily interested in increasing profits and dividends, in making the business pay. He is anxious to increase the output of his workers but not to increase their wages; in short, the employer is interested in diminishing the labor cost of his product. The employee, on the other hand, is dependent upon his wages. He knows in a more or less definite manner that large profits are frequently obtained by employers; he learns of watered stock and financial melons; he feels the insistent prod of the foreman,

or experiences a cut in piece rates; he sees men overdriven fall prematurely from the ranks; and he feels that his employer is interested in getting as much out of him as possible for as small a wage as possible. The economic motives of the employers and the employees seem so divergent that inevitably their attitude upon matters relating to the relations of labor to capital are colored and biased.

The second and more subtle cause of the divergent viewpoints is the result of very different working environments and daily experiences. The worker is constantly in touch with concrete material and physical forces; he has little contact with the immaterial elements in society such as legal postulates, property rights, fluctuation in market values or the importance of managerial ability. "Everything to the worker, even to his own activity, is the outcome of physical force, undirected and unchecked by the spiritual element." The employer moves in an entirely different realm. He is not directly and personally concerned with the physical processes of the factory or of the mine. The employer lives in an environment which accepts as axiomatic the supremacy of property rights, the desirability of legal regulations, and the supreme importance of mental ability and the "value sense." Since an individual comprehends only that which he has experienced, or which is at least analogous to it, the environment and the experience of the two classes lead inevitably to the development of individuals possessed of divergent prejudices, habits, ideals, and modes of thinking. Because of widely different life experiences, intelligent and sincere men will insistently adhere to widely different, but to each self-evident, propositions respecting the same subject.

As an example, consider the interpretation of the famous phrase, "Labor is entitled to all that it produces." The socialist and the conservative employer may both agree that labor is entitled to what it produces; but they will disagree upon the interpretation of the common word, — produce. To the

wage earner, production is chiefly a process involving manual labor and physical force. To the employing capitalist the most important factors are managerial ability and business foresight. This phase of middle-class thought frequently appears in our language. A man who merely furnishes the necessary funds for the construction of a dwelling house is often said to be "building a house." The worker whose sole business experience is restricted to the act of receiving his pay envelope every two or four weeks and turning its contents over to the butcher, the grocer, the landlord, and others, cannot be expected to possess as high regard for the inviolability of a contract as the business man whose success depends upon the general recognition of the sacredness of contract and of property rights. And it is not logical to assert that one is more highly intelligent or moral merely because of these divergent viewpoints, which are the results of "natural and general causation." These points are not merely more or less interesting and spectacular matters; they are pregnant with considerations which ought not to be overlooked by any student of labor problems. Let the reformer, statesman, philanthropist, capitalist, and labor leader take notice that "if you wish to change the laborer's [or the employer's] viewpoint materially, you cannot do it by warfare or denunciation. You must begin back of the man upon the determining influences which play upon him" [1]

Many students of the present are pointing to the dangers of increasing class antagonisms, the concentration of wealth, ostentatious display and luxurious waste, as forces gradually undermining American democracy. But the growing wage-earning class is being trained in a practical school of democracy. The work of labor organizations to improve the economic status of their members aids in conserving and in spreading the fundamental ideals of equality and of general participation in govern-

[1] Hoxie, "The Trade-Union Point of View," *Journal of Political Economy*. Vol. 15: 350. See also Veblen, *The Theory of Business Enterprise*.

ment. The training received in labor unions and in farmers' organizations improves the political acumen and the sense of responsibility in the mass of the common people. If, as some students of American life believe, "the American people as a whole is forgetting how to be democratic, the wage-earning part of the people is learning by persistent experiment how to be more and more democratic in the day by day work of organizing and carrying forward the labor movement."[1] Organized labor may be considered to be an important conservator of modern democracy. The shop committee system whether a union is or is not recognized, is an important step toward industrial democracy. And, since the working day comprises such an important fraction of the waking time of the worker, it is not unreasonable to assume that the political democracy of the non-working hours can hardly be of great worth until the worker has some voice in determining his working conditions. If the average worker is unfit or incompetent in deciding matters relating to shop policies, surely he is incompetent to have a voice in determining the foreign policy of the American nation or in deciding matters relating to affairs within the nation. Democracy in working hours would be a fine preparation for democracy in leisure hours, that is, for political democracy. Is it not logical to connect many of the failures and disappointments of political democracy with the utter lack, until very recently, of any approach toward industrial democracy?

While stressing the conflicting points of view, the fact that labor, organized or unorganized, capital and management have certain common interests, should not be overlooked. The antagonisms between these factors in production have been accentuated by bad management, by failure to recognize the fundamentals in production, and because of a failure to take adequate account of the human side of industry. With-

[1] Editorial, *The Independent*. July 7, 1910, p. 44.

out labor capital is useless, and without capital labor is hopelessly handicapped. Industrial progress in the future can be anticipated only when workers become interested in their work, have some part in managing the business of which they are essential parts, and are supplied with sufficient capital under competent management. Whether labor and capital are considered as partners or in the relation of seller to buyer, one cannot prosper without the other. May it not also be possible for labor, capital, and management to find common ground in opposing special privilege which locks out of use land, natural resources, and patents?

The existing industrial order must prove its right to continued life by efficiency in the production of the necessities and comforts of life for the great drab mass of working human beings instead of the mere piling up of profits. Business, if it is to avoid the stern danger of Bolshevism and the violent laying on of hands, must be carried on in the future with the principle of social service or of mutual benefit placed in the foreground; and organized labor, unless it is to face determined opposition, must be ready to come halfway by eliminating many of its restrictive practices.

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CHAPTER II

LABOR IN THE COLONIAL AND REVOLUTIONARY PERIOD

The history of America unfolds as a rapidly moving panorama the evolution and decline of social and industrial systems similar to those which have been more slowly and obscurely unrolled in the other portions of the globe. The movement of population from a relatively densely populated territory to a new country possessing a rich and virgin soil invariably causes the settlers to retrogress in the social and industrial scale. The clock of progress is temporarily turned backward. Necessity forces the newcomers to adopt customs and methods of living and of gaining a livelihood which their ancestors had discarded. Many old and forgotten social and industrial difficulties and problems reappear when a new country is being populated and exploited. As the American pioneers possessed the knowledge and experience of the centuries which had passed since Europeans outgrew primitive barbarism, the march of institutions in the New World did not follow with exactitude the course of development disclosed in European history. New elements were introduced into the problem; the balance of social forces was different. When the movement of settlers to America began, Europe had for centuries abandoned the system of enslaving white men and women, and was passing out of feudalism. England, the most advanced nation of Europe, had practically emerged from the feudal period. Englishmen and other Europeans upon coming to America were confronted by a new and peculiar situation. Land was abundant and labor was scarce; but the land could not be exploited and large profits derived without laborers who worked for small returns. Free

and uncoerced laborers would demand high wages, or they would become independent laborers upon the land. The demand for controllable manual workers to do the rough and hard work of the pioneer agriculturalist soon became insistent. Old methods of controlling and exploiting laborers were readopted with alacrity. The indentured servant was the nearest approach to slavery for whites which the moral ideals of the period and the legal rights vouchsafed white workers permitted. But in the case of the black and the red man, the pressure of the demand for workers overcame all difficulties; and on the new continent slavery was reintroduced among European people. The personal characteristics of the Indian prevented any extensive use of the red man as a slave; but the negro proved to be docile and workable. After slavery was established, one great factor in its continuation was the great racial gulf between blacks and whites. The establishment and continuation of the slave system on the American continent centuries after its disappearance in northern Europe must be attributed to two coöperating causes: the presence of abundant land and the wide racial differences between masters and slaves.

Differences in climatic conditions, the nature of the soil, and the character of the settlers in the various parts of the seaboard district led to the wide differences in industrial conditions. The North was peopled by men and women coming from the portion of England which had progressed farthest from the old feudal regime toward modern industrial conditions; and slavery did not prove to be profitable in the North. The South, on the other hand, was populated by men of the older type and slavery was found to be profitable. The plantation system was essentially feudalistic; the small farm and the small manufacturing establishment of the North could not be efficiently worked by the slave or the serf. Two entirely different social and industrial systems were thus planted on American soil. The plantation system and negro slavery were to hold the South in

its grip until the last of the nineteenth century, and were to retard the growth of modern industry in that section. As long as slavery was continued the waves of industrial progress which swept over the North never reached beyond Mason and Dixon's line. Until its awakening, during the last two or three decades, the South socially and industrially was a belated section.

Colonial America was preëminently a land of farmers. In the North, the small farm system and the scarcity of labor caused interdependence and coöperation to become characteristic of the people. In New England the lack of soil fertility caused many to turn their backs upon the farm and to become fishermen, sailors, and merchants. Each colonial farmer of the North was also a mechanic; he made the implements required upon the farm and attended to the necessary repairs. Co-operation between farmers took the form of exchange of services in harvesting or in house or barn "raisings." The latter were important social events in which the spirit of rivalry or of emulation played an important role. Meals were served by the women, and the occasion was made a gala day for the neighborhood. Cloth was woven and the clothing for the family was manufactured in the home by the women and the children of the household. Saw-mills, grist-mills, tanneries, salt-works, and glass-works were early established on a humble scale. The saw-mill was used in New England before it was introduced into England or Holland. Opposition to labor-saving machines did not early develop in America because of the scarcity of labor and because each worker hoped soon to become a small farmer or a small manufacturer. In the South a very different situation existed. Each plantation was an isolated and nearly an independent economic unit. Such goods as were purchased came directly from Europe, and were landed on the wharves of the various plantations. Consequently, a merchant class did not develop in the colonial South.

The manual laborers of the colonial period who were employed

by employers or owners may be divided into three classes: wage earners, indentured servants, and slaves. The wage earners and indentured servants were found chiefly in the North; the majority of the slaves were located upon the plantations of the South. The Puritan of New England attempted to regulate minutely the private and public life of all the members of the community. The authorities of colonial New England passed regulations minutely prescribing the mode of dress, the method of cutting hair, the entertainment of guests, the nature of amusements, the scale of prices and of wages, and various other details of social and industrial life.

The Court of Assistants of the Massachusetts Bay Colony, at its first meeting in August, 1630, fixed the wages of artisans, such as carpenters, masons, sawyers. Soon after, these regulations were repealed. In 1633 another attempt was made to fix the wages of various journeymen at not more than two shillings (about fifty cents) per day, exclusive of board. Wages of inferior or unskilled workmen were to be rated by certain local authorities. Penalties were to be applied to both master and men for violating the law. In the same year a sweeping general order was promulgated fixing the price of provisions, clothing, tools, and other commodities. The General Court alleged that "the great extortion used by divers persons of little conscience" made this legislation imperative. In 1634 the penalty imposed upon those who paid more than the wages allowed by the colonial authorities was repealed, and a board of three men for each town was authorized to fix wages in case a dispute arose. This is perhaps the earliest legal provision for the establishment of a court of industrial arbitration on American soil. In 1640 a considerable fall in prices occurred; and the General Court ordered wages reduced in proportion to the fall in prices. In Connecticut certain towns also fixed the wages of laborers. The frequent repetition of similar legislation indicates that it was in a large measure ineffectual, and such attempts finally

ceased. During the Revolution, while the country was being flooded with paper money, other brief and ineffectual attempts were also made to fix prices.

At the close of the Revolution wages were low and the price of the necessities of life high. The home of the workman was unadorned and uninviting. "Sand sprinkled on the floor did duty as a carpet. There was no china in his cupboard, there were no prints on his wall. What a stove was he did not know, coal he had never seen, matches he had never heard of. . . . He rarely tasted fresh meat as often as once a week, and paid for it a much higher price than his posterity. . . . If the food of an artisan would now be thought coarse, his clothes would be thought abominable. A pair of yellow buckskin or leathern breeches, a red flannel jacket, a checked shirt, a rusty felt hat cocked up at the corners, shoes of neat's-skin set off by huge buckles of brass, and a leathern apron, comprised his scanty wardrobe. The leather he smeared with grease to keep it soft and flexible."[1] These were the conditions in the "good old times." While the contrast between rich and poor may be more apparent today than a century ago, the average workingman of today can get more of the necessities and comforts of life than his predecessors of three or four generations ago. Absolutely, if not relatively, the workingmen's position has improved. The workman who got into debt was liable to imprisonment in vile prisons. The conditions in some of the colonial prisons beggar description. McMaster has pointed out that we of today feel more compassion "for a galled horse or a dog run over at a street-crossing than our great-grandfathers felt for a woman beaten for cursing or a man imprisoned for debt." The workers of the colonial and revolutionary period had little or no intellectual stimulus. Their environment was purely local; little or nothing was known of the outside world; and little opportunity was afforded for united action. The wage

[1] McMaster, *History of the People of the United States.* Vol. 1: 96–97.

earners of this period were not factors in the political world. The wage earner without property was denied the right to vote.

The gild system appeared in the colonies only in a rudimentary way. The first American gild seems to have been organized among the shoemakers of Boston. It was incorporated by the Massachusetts Bay Colony in 1648. The coopers were likewise organized as a gild. The shoemakers formed a gild for the chief purpose of controlling inferior workmen. The gild officers were given certain powers of inspection and of regulation, and they could penalize workers for any violation of the rules and regulations. The colonial authorities, however, retained the power to remedy abuses. The gild was organized during the process of "transition from the stage of the itinerant shoemaker, working up the raw material belonging to his customer in the home of the latter, to the stage of the settled shoemaker, working up his own raw material in his own shop to the order of his customer." [1]

In the eighteenth century a few organizations appear which bear the characteristic marks of the local trade union. Early in the century the ship calkers formed a "calkers club"; but the purposes were primarily political, not economic. Temporary organizations or societies of printers were organized from time to time, beginning in New York City in 1776. "The Typographical Society" of that city was in existence from 1795 to 1797. Professor Commons calls the "Federal Society of Journeymen Cordwainers," organized in Philadelphia in 1794, the first American trade union. This organization was preceded by an employers' association, — the "Society of Master Cordwainers of the City of Philadelphia," formed in 1789. The cordwainers held together for twelve years; in 1799 they conducted a strike of about ten weeks' duration. The New York shipwrights formed a society in 1803; the carpenters of

[1] Commons, "American Shoemakers, 1648–1895," *Quarterly Journal of Economics*. Vol. 23 : 42.

that city organized in 1806; and the tailors formed a union in the same year. The organizations of this period were weak, local, ephemeral, and few in number. Not until after the War of 1812 does the real history of labor organizations actually begin.

The indentured servants were of three distinct classes: redemptioners or free-willers, kidnapped persons, and criminals. The chief distinction between indentured servants and apprentices was one of age. The redemptioners were indentured for a limited term of years, usually because of the prepayment of the passage money. Many, attracted by the promise of better opportunities in the New World, were willing to exchange their labor power for a term of years in return for transportation to the land of promise. "Valuations of unexpired serving-time were common matter in inventories." The redemptioners were frequently skilled workmen coming from a variety of places. "Irish, North British, German, a 'Jersey boy' and a 'Jersey maid' were all melted in a fierce ethnical crucible, and were blended together by that strange assimilating power working constantly in American history."[1] After their term of service expired, the majority of the male indentured servants of this class became farmers and artisans, and the women married freemen. Many German redemptioners migrated to this country during the half century preceding the opening of the Revolution.

Kidnapping or "spiriting" was most prevalent in England during the reign of Charles II. Boys and girls of the poorer classes were usually the victims of the kidnappers or "spiriters." It was estimated that about ten thousand persons were kidnapped in England during the year 1670. One professional kidnapper is said to have sent 840 persons to America in one year. The punishment for kidnapping was light. For example, one girl was spirited away by a man and a woman. Each was fined twelve pence. If they had stolen a small amount of prop-

[1] Weeden, *Economic and Social History of New England.* Vol. 2: 521.

erty, the punishment would have been death. Judges in those days were very zealous in guarding property rights; but personal rights were considered to be of little importance. The judicial and popular attitude of leniency toward the crime of kidnapping helpless victims and selling them into temporary servitude was due chiefly to two considerations. In the first place, it was felt that "the plantations cannot be maintained without a considerable number of white servants," and consequently any feeling of humanitarianism gave way to what was believed to be economic necessity. Secondly, as has been indicated, judges and other persons exhibited little sympathy for human suffering.[1]

Deportation and banishment of criminals and other undesirable persons were common forms of punishment in ancient and medieval times. The transportation of such persons to the American colonies served a double purpose. England was rid of criminals and agitators, and the colonies received a needed supply of laborers. Beginning with 1662, various acts were passed authorizing the deportation of various malefactors. A statute of 1717 systematized this legislation and provided that certain classes might be transported for seven years, others for fourteen years. At least fifty thousand convicts are estimated to have been sent to the colonies from Great Britain and Ireland. Maryland received more of these convicts than any other colony; the majority of the indentured servants in that colony were of this class.

Servants were treated with practically the same severity as were the slaves. They could be flogged for disobedience; the law in regard to runaways applied to servants and slaves alike. Some colonies passed laws for the purpose of preventing cruel punishments and extraordinary exactions, and requiring the master to educate the youthful servants. As the indentured servant could only be used for a period of years and need not be cared for by their master in old age, the tendency was to over-

[1] Channing, *History of the United States*. Vol. 2: 368–370.

drive the servant even more than the slave. However, Professor Channing is of the opinion that the condition of the indentured servant was good until negro slavery became common.

In the early history of the country slavery existed in nearly all of the colonies. It was by no means confined to the Southern colonies; slaves were held by the Puritan in Massachusetts, the radical of Rhode Island, and the Quaker of Pennsylvania. Many leading New Englanders were engaged in the slave traffic. and many blacks, free and slave, fought in the Revolution; Purely natural causes are responsible for the decline of the slave system in the North and for its rapid expansion in the South. In the North there was need of skilled workers, slaves could not be used effectively on the small farms of that section, and the negro was not well adapted to the cold and dampness of the North. Consequently, the chief demand for slaves in the North was for domestic service or for the purpose of exhibiting conspicuous luxury. In the early part of the eighteenth century the plantations of Rhode Island utilized the labor of a considerable number of slaves. Slavery both North and South was on the decline when the invention of the cotton gin revolutionized economic condition in the South. Many of the Southern leaders of the revolutionary period were opposed to the system and hoped to see its gradual extinction. It will be remembered that Jefferson in the original draft of the Declaration of Independence bitterly arraigned George III because he had aided the slave traffic. George III "has prostituted his negative for suppressing every legislative attempt to prohibit or to restrain this execrable commerce." As late as 1821 a Richmond newspaper, lamenting the backward conditions existing in Virginia, declared that "slavery is one great cause of all our misfortunes."

The prevalence of slavery in the South during the first six decades of the nineteenth century is in no small measure responsible for the absence of industrial progress. While the North was developing rapidly, while England, Germany, and France

were being transformed industrially, the South was throttled by an outgrown economic system. Manufacture and intensive agriculture were practically unknown. Agricultural methods were "stereotyped." The development of the factory system and the history of organized labor in the South do not begin until recent decades; and even today the presence of the black man complicates the situation. The political, industrial, and social conditions existing in the South of today have been fashioned in no small measure by forces growing out of the long continuation of negro slavery and the presence in recent decades of large numbers of emancipated slaves and their descendants. Industrially the South is still several decades behind the North; but it is now in a state of rapid evolution.[1] The presence of the negro as a slave and as a freeman has forced upon the South, in an aggravated form, many of the complex problems which recent immigration has given to the remainder of the United States.

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[1] See article by the writer, "The South during the Last Decade," *Sewance Review.* Vol. 12 : 174–181 (1904).

CHAPTER III

THE PRE-CIVIL WAR PERIOD

The Development of the Factory System.—In the colonial and revolutionary period all industry was in the domestic or handicraft stage. Manufacture was carried on in the home or in small shops; it was still, as the derivation of the word indicates, the making of things by hand. The workers were isolated from each other or associated together in small groups. The worker usually owned his tools, and frequently the raw materials and the products of his labor. There was little or no division of labor, or use of power other than human brawn and muscle. In the factory system with which we are familiar today, many workers are associated together who do not own the tools or machines with which they work, the raw material which they form into finished or semi-finished products, or the products of their toil. Division of labor is often minute, and is always present. Organization, systematization, and concentration are characteristic of the modern factory system. The worker is a wage earner; and, with rare exceptions, cannot pass from that rank to the coveted position of employer. Steam, gas, or water power, not human energy, is the motive force which drives the machines assembled in the factory. Since the adoption of the Constitution, the United States has passed through an industrial evolution which has displaced, except in the case of a few "belated" industries, the household form of industry and substituted in its place a highly organized form of the factory system.

The factory system has not evolved at a uniform pace in all portions of the industrial organism. Cotton manufacture was the first to pass from the household stage; and woolen manu-

facture followed closely in its footsteps. Certain industries are even now in the transitional stage, as, for example, the clothing industry, laundering, and cooking. England was the leader in the so-called industrial revolution. Beginning in the early portion of the second half of the eighteenth century, a series of inventions gave the impetus which led to the utilization of machinery on a large scale. Before this time yarn had been spun in single threads upon a spinning wheel; and weaving was accomplished by means of a hand-loom. As the latter was the more efficient of the two machines, the first inventions were attempts to improve the method of spinning. James Hargreaves, a weaver of Lancashire, invented the spinning "jenny." This name was chosen in honor of the inventor's wife. In 1767 Hargreaves built the first spinning jenny bearing eight spindles. Although other attempts had been made to construct a spinning machine of more than one spindle, this was the first one that was of practical value. This primitive machine caused anxiety among the spinners, who feared that it would displace many of them, and at one time a mob broke into the house of the inventor and destroyed the machine. The inventions of Arkwright and Crompton increased the efficiency of spinning machinery. Consequently, improvements were demanded in the process of weaving. In 1785 a clergyman, named Cartwright, invented the power-loom. The necessary mechanism for the advent of the factory system in the textile industry was now complete.

England, through the use of this machinery, was given a point of vantage over the remainder of the world. Without the use of machinery, no nation could hope to successfully compete with the island kingdom. In order to retain this advantage, Parliament passed laws which prohibited the exportation of machines, tools, and models, and which made it a criminal offense to try to induce textile operatives to leave England. By means of these mercantilist policies, England was able to retard slightly

the development of manufacture on this side of the Atlantic; but irrespective of the governmental policy, the growth of the factory system in the United States would have lagged behind the development in England.

The first factory in the United States was erected for the purpose of manufacturing cotton goods at Beverly, Massachusetts, in the year 1787. This venture, as well as several others made in different places, was unsuccessful. The Slater factory at Pawtucket, Rhode Island, built in 1790, was the first successful venture. Samuel Slater, the "father of American manufacture," had served as an apprentice at cotton spinning in England. Learning of the opportunities in this country, he determined to cross the Atlantic and to introduce improved spinning machinery on this side of the ocean. Slater was obliged to come without drawings or models; he constructed the machinery used in the Pawtucket mill aided only by his memory of the machines which he had operated in England. Development in the cotton industry was very slow for many years, as the importation of cotton goods from England was considerable. According to J. L. Bishop, in his *History of American Manufactures*, there were, in 1803, only four cotton mills in the entire United States. The early factories only had machinery for spinning. It was not until 1814, that Francis Lowell, practically independent of English aid, invented a power-loom. This was first installed in a factory at Waltham, Massachusetts. This was the first complete factory for the conversion of cotton into cloth, erected in the United States.

In 1794 machinery was first introduced into the woolen industry in this country; the machinery was introduced by Englishmen. Three years later a factory was built for the purpose of spinning and weaving flax, hemp, and tow. Water power furnished the motive force; and the employees were mostly boys.

During the infancy of the iron industry, charcoal was used in

furnaces for the reduction of the ore to pig iron. Before 1800 the iron industry was confined to the region east of the Allegheny mountains. The eastern portion of Pennsylvania contained many furnaces and several rolling and slitting mills. About 1815 England began to use coke made from bituminous or soft coal instead of charcoal. Our bituminous deposits were located too far from the coast regions to be economically available until transportation facilities were improved; and, as the forests on the coast began to disappear, charcoal became expensive. England using coke, and other countries of northern Europe still having plentiful supplies of charcoal, now became dangerous competitors of our iron manufacture. Soon after the opening of the nineteenth century the iron industry began to develop in western Pennsylvania. But it was necessary that transportation facilities be much improved before our iron, which was located, in a large measure, inland, could successfully compete with that produced in England and Scandinavia, in the markets along the Atlantic coast plain. With the growth of manufacture in other lines, the demand for iron increased rapidly; but the importation from Europe practically kept pace with the expansion of the market. Professor Taussig estimated that the imports of crude iron averaged about twenty thousand tons per year in 1818–1821, and about forty thousand tons in 1828–1830.[1] In spite of a protective tariff the iron industries grew slowly and were unable to develop so as to supply the home market. The phenomenal growth of the iron industry in this country began with the extensive use of anthracite coal in the process of smelting. This stage was reached about 1840. In 1860 soft coal or coke began to rapidly take the place of anthracite. After 1840 the demand for iron rails for railways greatly stimulated the evolution of the iron industry. The production of pig iron rose from about 20,000 tons in 1820 to 315,000 in 1840, to 920,000 in 1860.

[1] *Tariff History of the United States.* P. 55, footnote.

The embargo act and the War of 1812 gave the real impetus which led to the rapid growth of the factory system. From that time, except during certain periods of depression, the student of industrial history views the gradual destruction of the crude and unsystematic form of domestic industry and the corresponding growth of the factory system. The period 1816 to 1822 was one of depression in industry. But as early as 1821 the cotton industry began to enter upon an era of prosperity. Many New England towns date their birth from the early twenties. During the two decades 1820–1840 the number of persons living in the Northern states and engaged in manufacture increased much more rapidly than did the number engaged in commerce or agriculture. In Massachusetts, during this period of twenty years, the number engaged in manufacture was multiplied nearly threefold, while the number engaged in commerce was diminished nearly forty per cent. These statistics show clearly the reason for the change in the attitude of Massachusetts upon the question of protection. The following table presents the census figures for six Northern states. The classification adopted by the census authorities in 1840 was somewhat broader than the one used in 1820; but a fairly accurate comparison can be drawn.

	The Number of Persons engaged in					
	Agriculture		*Commerce*		*Manufacture*	
	1820	1840	1820	1840	1820	1840
Massachusetts .	63,460	87,837	13,301	8,063	33,464	85,176
Connecticut ...	50,518	56,955	3,581	2,743	17,541	27,932
Rhode Island ..	12,559	16,617	1,162	1,348	6,091	21,271
New York	247,648	455,954	9,113	28,468	60,038	173,193
Pennsylvania ..	140,801	207,533	7,083	15,338	60,215	105,883
Ohio	110,991	272,579	1,459	9,201	18,956	66,265

Three stages may be discerned in the evolution of manufacturing industries, — expansion, concentration or large-scale development, and integration or combination. During the first stage the number of establishments in a given industry, as

well as the total amount of capital and the total number of wage earners connected with the particular industry, rapidly increases. During the second stage the amount of capital and the number of wage earners connected with the industry still increase, but the number of establishments tends to diminish or to remain stationary. In other words, the average size of each establishment increases rapidly in regard to the capital invested, output, and the number of employees. During the stage of combination allied industries are gradually drawn under the same management or control.

It has been stated that industries enter the factory stage at different chronological periods. In like manner, different industries pass through these three steps in industrial evolution at different rates. In general, however, in the United States the era of expansion extended from 1808 to 1857, the era of concentration from 1857 to 1893, and the epoch of combination from the last named date to the present time. In the cotton industry concentration began as early as the decade of the forties. In the woolen industry concentration began a decade later in the period, 1850–1860.

Cotton Factories in the United States

Year	*Number*	*Capital Invested*	*Employees*	*Value of Products*
1831	800	$41,000,000	62,000	—
1840	1,240	51,000,000	72,000	—
1850	1,074	76,000,000	95,000	—

Woolen Factories in the United States

1840	1,420	$16,000,000	21,342	$21,000,000
1850	1,675	32,000,000	45,438	49,000,000
1860	1,475	39,000,000	50,419	73,500,000

In the era preceding 1837 the factory system, while producing only a small fraction of the total manufactured products of the nation, assumed respectable proportions. The two decades from 1837 to 1857 were years of continual development. The era of the Civil War gave a great impetus to industrial activity.

Statistics of early manufacture are not accurate; but the selected data which follows, taken from a variety of sources, is sufficiently accurate to prove that factories and factory work were of no little industrial importance in this nation before the panic of 1857.

In 1831 it was estimated that not less than 29,000 men were employed in iron manufacture; the estimated wages of whom were $8,776,000. The quantity of bar iron produced in 1831 was about four times that produced in 1810. The total quantity of iron made in the United States in 1830 was estimated to be 191,500 tons, — two-fifths of which was produced in the state of Pennsylvania. In 1829 there were over forty furnaces and eighty forges and rolling mills in that commonwealth. According to the state census, the state of New York possessed, in 1835, 112 cotton factories, 234 woolen factories, 293 iron works of various sorts, 70 paper mills, 13 glass factories, and 63 rope manufactories. The cotton mills employed 12,954 individuals, and produced upwards of 21,000,000 yards of cloth.

There were located in Cincinnati, in the year 1830, 10 foundries, 3 or 4 cotton factories, 15 rolling mills, several steam manufactories, 5 breweries, 1 button factory, 1 steam coopering establishment, 2 steam flour mills, and 5 or 6 steam saw-mills. At least 40 establishments were using steam power. The population of the city was about 25,000. As early as 1812, 50 cotton factories were located within a radius of thirty miles of Providence. Twenty years later 100 steam engines were made in Pittsburg. In 1832 the estimated value of the output of the paper mills of the United States was $7,000,000 per annum.

The Rise of Industrial Cities. The modern industrial city is a product of the factory system. Parallel with the development in manufacture moved the evolution of modern urban life with its many problems which are due to the dense population, the housing conditions, and the factory environment. During the era of expansion in the development of the factory

system the industrial or mill town of the modern type makes its first appearance; and the percentage of the total population living in cities increases. When the period of concentration is reached, the ratio of urban to the total population mounts rapidly upwards. The following table taken from the Reports of the Twelfth Census shows this movement very clearly:

Per cent. of Total Population in Cities of 8000 or Over

Census Years	*Number of Cities*	*Per cent. Urban of Total*
1790	6	3.4
1800	6	4.0
1810	11	4.9
1820	13	4.9
1830	26	5.7
1840	44	8.5
1850	85	12.5
1860	141	16.1
1870	226	20.9
1880	286	22.6
1890	447	29.2
1900	545	33.1
1910	—	—

The movement towards the city begins to be very perceptible in the decade 1820–1830; and this period marks the definite and unmistakable opening of the era of expansion in the textile industry. This phenomenon was in a large measure confined to the North Atlantic states; and was the most well defined in Massachusetts, Rhode Island, Connecticut, New York, and Pennsylvania. Exclusive of Maine and, perhaps, Vermont, the population of New England almost ceased to grow by 1816. The farming land had nearly all been occupied, and the surplus population was emigrating to other states. The rise of the new system of manufacture and the recovery from the depression following the War of 1812 saved New England from stagnation.

A brief reference to the growth of urban population in the manufacturing sections of the country during the three decades

immediately preceding 1850 will aid the student when consideration is given to the humanitarian and labor movements of the same epochs. The population of Massachusetts increased during the two decades, 1800–1820, nearly 24 per cent.; during 1820–1840, over 40 per cent.; during 1830–1850, nearly 60 per cent.; but during the same periods the increase in the population of the city of Boston was approximately 73,115, and 123 per cent., respectively. Lowell, which had no existence in 1820, boasted of a population of over 20,000 in 1840; New Bedford increased from 3,947 to 12,087 during the same space of time. "Lowell is a mere manufacturing village, and no place, we believe, has ever increased from manufactures alone, with greater rapidity, or, with the same population, has had an equal number of operatives. In 1830 its population was 6,500, and in December, 1833, it was estimated at 15,000; and more than one-third of these were employed in cotton establishments."[1] In 1790 less than one-twentieth part of the total population of Massachusetts lived within the limits of the city of Boston; in 1820 about one-twelfth part and in 1840 about one-eighth part were inhabitants of that city. "Within ten miles of Boston there is now (1846) one-quarter part of the population of the state, amounting to more than 200,000, chiefly dependent upon Boston as the center of business; in 1790 the number was less than a ninth part of the whole."[2] Chickering shows that 213 towns, chiefly agricultural, situated in Massachusetts, increased only 8.5 per cent. from 1820 to 1840, while 88 manufacturing towns increased 79.62 per cent. During the score of years from 1820 to 1840 the population of Rhode Island increased approximately 31 per cent., that of the city of Providence nearly 100 per cent.; in New York State the increase was nearly 77 per cent., while in the city of New York the percentage was about 153 per

[1] Pitkin, *A Statistical View of the Commerce of the United States.* P. 523. (1835.)
[2] Chickering, *On Population and Immigration.* P. 109.

cent.; in Pennsylvania the increase was over 64 per cent., and that of Philadelphia over 72 per cent.

As people long accustomed to rural life were suddenly thrust into barrack-like homes in dreary mushroom factory towns, the now familiar evils of city life began to make their first appearance upon American soil. Pauperism, juvenile crime, woman and child labor in factories became well known. Massed together in the growing cities and towns, opportunities were not lacking for organization and agitation. The long struggle between the conservatives of the Atlantic coast region and the turbulent and individualistic frontiersmen of the uplands and the backwoods had finally forced the abolition in most of the Northern States of the old religious and property qualifications for the exercise of the suffrage. At a propitious time the democratic frontiersman placed the ballot in the hands of the newly created class of factory and town wage earners; and then the American wage earner appeared on the industrial and political horizon.

Labor Organizations. Modern trade unionism was practically non-existent previous to 1825. Certain rudimentary organizations are found, but these were purely local, ephemeral, and confined to members of one trade. The early isolated organizations were called trade societies. "Modern trade-unionism as an industrial and political force," writes Professor Commons, "began with the coming together of previously existing societies from several trades to form a central body on the representative principle." These were called trades' unions, not trade unions. To the then largest city of the United States, Philadelphia, and not to England, as commonly stated belongs the honor of being the birthplace of the modern trades' union, — that is, a union or association of trade unions or labor societies. The Mechanics' Union of Trade Associations was organized in that city in 1827, and antedates by two years the first similar organization in England.

During the succeeding ten years three forms of labor organi-

zations may be noticed: (1) The trades' unions in different towns and cities. (2) The first form went into politics (1827–1831), and formed workingmen's parties in various cities. (3) After the close of the rocket-like career of the workingmen's parties, events moved slowly for a few years. Then, with the era of swiftly rising prices which preceded the panic of 1837, came the rapid growth of trades' unions and the organization of several national trade unions and of the National Trades' Union, which held three annual meetings in 1834, 1835, and 1836, and possibly one more in 1837. Practically nothing was known of this early ephemeral, but pretentious, national organization, until its history was laid bare as the result of the labors of Professor John R. Commons.

The inception of the first American labor movement was the natural or rather inevitable, though direct, result of the aggregation of workers in towns and in factories, and of the partial displacement of the domestic form of industrial organization by the factory and the contract system. The factory workers were not, however, the first organized; the first organizations were formed in the skilled trades. The growth of towns and the gradual improvement of transportation facilities were extending the market area; and wealthy merchants were sending their wares to distant points. The men in the skilled trades were confronted by a new situation. City life and the steadily developing division of labor were modifying social conditions, were exaggerating and exposing to public gaze old evils such as pauperism, intemperance, and juvenile crime, and were producing evils hitherto unknown. Class demarcation was becoming sharper, and the workingmen were in a state of dissatisfaction and unrest. Leaders only were needed to convert this unrest into organized remedial effort. The workingmen were firmly convinced that social and industrial conditions were awry; and every enthusiastic and persuasive would-be reformer was able to obtain a hearing

and a following. This transitory period provided the properly prepared ground for the fitful and changeful policies which characterized its many reform movements. The student of mob or crowd psychology may find in this period a fruitful field for study. The workers passed from the trades' union to the political party in a vain endeavor to mitigate the evils which loomed up before them. The frontier forced down the bars which had kept the small and non-taxpayer from the ballot box; the workmen under the impulse of their leaders turned to political action. They demanded free schools, no imprisonment for debt, mechanics' lien laws, and a ten-hour day; and they opposed special favors in the granting of charters and monopolies, the lottery system, the militia system as then in vogue, the auction system, and the exemption of church property from taxation.

The first workingmen's party appeared in Philadelphia in 1827 or 1828; but the most important political movement occurred in New York City. The New York party was organized in the spring of 1829, elected a state assemblyman in the fall, was split into three fragments within a few months, put three tickets in the field in the fall of 1830, and disappeared from view the following spring. The party, organized ostensibly to prevent an attempt to lengthen the working day, was first committed by an imperious leader to the doctrine of equal distribution of wealth and the abolition of inheritance; this leader was soon ousted, carrying with him only a handful of followers. Next came Robert Dale Owen and G. H. Evans; the latter was the editor of the famous labor paper, *The Working Man's Advocate*. These two enthusiasts committed the party to an educational program. Free education in boarding schools, where all distinctions of rank or class were to be eliminated, was put forward as a panacea for all the evils of which the workers complained. Tammany Hall was then, as now, the powerful democratic organization of that city. The leaders of that political machine

were thoroughly frightened by the results of the election of 1829; and proceeded to destroy the workingmen's organization. So successful were they that within a few months Owen and Evans were forced out, carrying with them a considerable fraction of the entire party. Tammany now took up some of the planks in the platform of the conservative and most numerous branch of the party; and in 1831 the entire organization disappeared in thin air. The first American labor movement was disrupted by entering the political arena.

This ephemeral labor party was not entirely useless. The chief effects may be briefly summarized as follows: (*a*) the passage of a mechanics' lien law by the New York legislature. It was clearly for the purpose of placating the workingmen that this measure was supported and pushed through by Tammany. (*b*) The abolition of imprisonment for debt, by a law passed in the spring of 1831. The stand taken by the workingmen's party clearly hastened legislative action in this matter. (*c*) The appropriations for educational purposes in New York City increased very visibly at this time. (*d*) When, in 1833–1837, the strong trade-union movement arose, the fate of the workingmen's party was accepted as a conclusive argument against direct political effort. Hence the trade unions kept aloof from party politics and merely questioned candidates as to their position on measures which were regarded as affecting the interests of labor.[1]

After the disruption of the workingmen's parties, a period of inaction followed. But with the triumph of Jackson over the second United States Bank came a flood of paper money issued by the rejuvenated state or "wild cat" banks. With the inflation of the currency, prices went up by leaps and bounds; but wages lagged behind. The wage earners were caught like rats in a trap; the rise of prices was so rapid that escape to the

[1] Carlton, "The Workingmen's Party of New York," *Political Science Quarterly*. Vol. 22: 415.

frontier was impracticable. Wheat flour rose in New York City from $5 a barrel in 1834 to $12 in March, 1837; in Baltimore from $6.75 on June 4, 1836, to $10.50 on December 17 of the same year. Edward Atkinson estimated that the cost of living to the average workingman rose 66 per cent. from April, 1834, to October, 1836. Organization and strikes were the only available remedies. In 1835 a New York daily newspaper observed that "strikes were all the fashion." The membership of the trades' unions multiplied until the ratio of organized to unorganized wage earners in some cities was as high or higher than at the present time. "Dues were increased and donations added to dues. Finally, the ominous sign of over-organization appeared. Jurisdictional struggles began. Blacksmiths protested against horse-shoers, and hand-loom weavers against factory weavers. These were not settled when the panic of 1837 stopped everything, and the trades' unions disappeared when the wage earners' employment ceased." The labor movement of this period of rising prices was premature. Financial conditions, not industrial evolution, were responsible for the rocket-like rise of the labor organizations at this time.

The period 1834–1837 was one of extraordinary trade-union activity. General Trades' Unions were formed in the large cities. New York and Philadelphia had strong organizations. A contemporary newspaper states that the Trades' Union of Philadelphia consisted in 1836 "of forty-eight trade societies or associations, sovereign and independent in themselves, but bound by ties of honor and interest to support and assist each other in cases of aggression or danger." Two of these societies boasted of a membership of over nine hundred each, and four of more than seven hundred each. Among the trade unions or labor societies belonging to the Trades' Union were the Society of Journeymen Tailors, the Society of Cordwainers, the Journeymen Printers, the Society of Journeymen Hatters, and the Society of Cotton Spinners. A "Society of Female Operatives,"

having a membership of about four hundred, is also reported from Philadelphia. This organization was similar to other trade societies. The Boston Trades' Union, on July 4, 1834, had two thousand men in a procession. The printers organized societies in not less than twenty-four cities in the decade of the thirties. Catalogs of "rats" or non-union men are reported to have been occasionally published by the organized printers; and picketing was not unknown. In 1836 the New York General Trades' Union complained that the Employing Leather Dressers had declared for what we now call the "open shop," and were refusing to hire men belonging to a labor organization. This was denounced as "an attempted violation of the constitutional and natural rights of American citizens." Many of the methods used today by organized labor were employed by the ephemeral and premature unions of the thirties.

Employers' associations were formed to counteract the power of these newly organized unions. In New York City the curriers and leather dealers and the employing leather dressers were knit into employers' associations. Members of these associations inveighed against labor organizations in a manner quite up to date. The unions were held to "invade the rights of employers" and to "compromise the rights of unorganized labor." "If we desire to alter the whole genius of American society, — to resolve it into classes separated by barriers almost impassable, and to condemn the largest portion to lasting inferiority — we should certainly recommend some such expedient as trade unions." These words sound as if they were written only yesterday by a member of an employers' association hostile to organized labor.

The following analysis of the forces which caused this remarkable outburst of activity on the part of labor organizations is from the pen of Professor Commons. "But it was not the cost of living that first demanded attention — it was the hours of labor and over-work. The feverish prosperity of bank inflation

and the taste of unusual profits enticed employers to drive their workmen; and the long hours of labor which were welcomed as a boon in a time of depression became unbearable in time of prosperity. . . . The struggle centered in Philadelphia, where the trades' union entered upon a career of success and enthusiasm. It had the support of physicians, lawyers, merchants, and politicians, and the year 1835 is memorable as the turning point from which dated the establishment in this country of the ten-hour system."[1] The strikes of 1836 were chiefly for higher wages and were the direct result of rising prices.

The pioneer national organization of wage earners on American soil was the National Trades' Union which first met in the city of New York in August, 1834. At this time it was estimated that there were 26,250 members of American trades' unions.

In New York and Brooklyn	11,500	In Baltimore	3,500
Philadelphia	6,000	Washington	500
Boston	4,000	Newark	750

At the first convention about thirty delegates were present. The second convention also met in New York City, and was attended by forty-eight delegates. The third convention met in 1836 in Philadelphia. A fourth convention was called to meet in 1837; and it is probable that a few delegates attended. With the panic, the national organization passed out of existence. The National Trades' Union was a union of local unions and of the central trades' unions in different cities. It began merely as an advisory body with no disciplinary powers; but in 1836 the constitution of the body was so changed as to allow it to exercise some authority over the bodies united in the national organization.

The constitution of 1834 stated that the objects of the Union were to advance the moral, intellectual, and pecuniary interests of the workers, to disseminate information, to promote the

[1] *Documentary History of American Industrial Society.* Vol. 5 : 33–34.

establishment of trades' unions, and to harmonize the efforts of the productive classes. In 1835 provisions were inserted requiring each subordinate union to contribute, to the national body, two cents per month per member. Another clause declared all acts of the national body binding upon the various unions accepting the constitution. "In 1834 it had been a convention to promote agitation, in 1836 it had become a federation to support strikes." The extreme pressure of rapidly rising prices caused a rapid evolution of function. In 1834 resolutions were adopted favoring "an Equal, Universal, Republican system of Education," demanding that the public lands be left open to actual settlers, deploring the evil condition of "male and female children employed in the cotton and woolen manufactories in this country," and opposing special privileges for a "favored few." In the convention of 1836 the following committees were appointed: trades' union, education, state prison labor, factory system, female labor, and on unfinished business. The titles of these committees are significant as indicating the topics considered to be of great importance to the wage earners in 1836. A committee was also appointed on the ten-hour system on government works. This committee in a long report declared that the memorials of the ten-hour committee appointed in 1835 were treated contemptuously by Congress. It closed by recommending united action on the part of all trades' unions in requesting the President of the United States to establish a ten-hour day for all government employees. In 1840 President Van Buren issued such an order.

In 1836 at least five trades had formed national trade unions, — that is, formed national organizations within a single trade. These trades were the cordwainers, the combmakers, the carpenters, the weavers, and the printers. Other organizations recognized the desirability of national organization. The printers held at least two annual meetings, in 1836 and 1837.

The National Trades' Union and the national trade unions of the thirties were national unions at least three decades ahead of their time. The railway and the telegraph had not yet extended the market area. Competition over wide areas was as yet little felt. Only the extraordinary increase in the cost of living in the years immediately preceding the panic of 1837 could bring into life even an ephemeral national organization. As soon as that pressure was removed the national organizations disappeared and were soon forgotten.

Much antagonism between employers and employees and between the rich and the poor was generated during this extraordinary epoch. A class consciousness which is scarcely exceeded in recent decades flashed into view during this spectacular struggle for higher wages. In one address to a labor society in 1835 is found the following gem: "Already has grasping avarice and monopoly shorn us of many of our rights, already has aristocracy reared its hideous form in our country, and is making rapid strides toward enslaving us forever." *The Working Man's Advocate* had as one of its aims opposition to monopolies and all class exemptions. The associations of employers of the thirties were practically as bitter toward trade unions as any that exist today. For example, one resolved that the methods of the unionists were "most obnoxious, coercive, and detrimental to the peace, prosperity, and best interests of the community." Another resolved "that the Trades' Union is the growth of Monarchical Government, and ill adapted to our Republican Institutions."

The labor press was a very important element in the labor movement of this period. The American Bureau of Industrial Research has found that at least sixty-eight labor papers were started or projected in the period 1820–1837. These papers were published in many different cities and towns scattered over the North, such as New York; Philadelphia; Boston; Woodstock, Vermont; Wilmington, Delaware; Alexander, New York; and

Indianapolis, Indiana. In January, 1828, in the city of Philadelphia, was published the first workingmen's paper, *The Mechanics' Free Press. The Working Man's Advocate*, the New York publication, issued its first number on October 31, 1829.

A short period of rising prices dates from 1843. A few "sporadic" unions were called into existence, and here and there minor strikes occurred. For the first time in American history the factory and the factory operative began to figure in labor disputes. Soon, however, the level of prices began to move downward, and labor agitations and organization assumed modified forms. From about 1845 to 1851 purely trade-union methods were rarely employed; and the doctrine of class harmony was persistently preached. The main points in the labor demands were not wages and hours. The humanitarian element was in control; labor unionism and humanitarianism were curiously mixed. Various Labor Congresses and Workingmen's Associations were formed; and many organizations of women workers came into being. Certain humanitarian leaders like Horace Greeley, Brisbane, Dana, and Ripley, who were not of the wage-earning class, were prominent in the various organizations. The New England Workingmen's Association was organized in the spring of 1845. Its object was declared to be "union for power, power to bless humanity." In New York the National Reform Association was formed in 1844. This body wished to restore man to his "natural right to land." The first Industrial Congress convened in New York City, October 12, 1845. George H. Evans, editor of *The Working Man's Advocate* of the early thirties, and then joint editor of another paper of the same name, was secretary. The Female Labor Reform Association of Lowell sent a representative. The Congress recommended the formation of three organizations: (1) Of "pure labor," to be called the "Industrial Brotherhood." No employers, overseers, or superintendents were to be admitted

to membership. Farmers were to be eligible. (2) "Young America," all friends of the "just" rights of labor might join. (3) The "Industrial Sisterhood" was to include all females who desired to unite in "the righteous cause." Commenting on the work of this Congress, Greeley said that a true Industrial Congress represented all classes. A second congress was held in 1847, and a third in 1850.

Many workingmen's local associations of this period established libraries and reading rooms. In Massachusetts the agitation for a ten-hour working day began in 1845, and continued until 1852, when a compromise of sixty-six hours per week was effected. Much attention was paid to the subject of "land monopoly" by various associations and congresses. *The Working Man's Advocate* of this period, instead of urging free public education, demanded that each man or woman be allowed to purchase in the future only a sufficient amount of land "for a reasonable sized farm." Land monopoly, based upon educational privileges, was held to be the fundamental cause of the evils of which the workingmen complained. The movement which finally culminated in the Homestead Act dates back to this period. There were few indications in the "golden era" (1837–1857) in American industrial history of the existence of class consciousness, or of the idea of the solidarity of the wage earners, — much less than in the period 1834 to 1837. In the decade of the fifties, however, indications are not lacking of the divorce of unionism from humanitarianism. "Pure and simple" trade unionism began to appear. A magazine in 1853 stated: "Since our last, the expenses of living have been somewhat increased at nearly every point. The prices of sundry articles of general consumption have, it is true, been somewhat reduced, but most other avenues of expenditures have been widened. Labor of all kinds demands higher rewards, and in almost every branch of industry, organization, combinations, and in some cases 'strikes,' have been resorted to in order to obtain the

desired advance."[1] In the autumn of 1853 an attempt was made to federate the unions of New York City. Only workingmen were entitled to act as delegates to the central body.

All the labor movements of the pre-Civil War period were ephemeral and soon disintegrated. The chief reason for the lack of permanence may be summarized under five heads: (*a*) A strong and permanent labor organization is not to be anticipated while much practically free land can be obtained, and while it is possible for the efficient and ambitious employee to pass readily to the position of employer. Under such conditions class consciousness and the feeling of solidarity of interest among the workers do not readily develop to a sufficient degree to insure strong and permanent union organizations. (*b*) The attainment of many of the more moderate demands of the labor party and labor press, such as a mechanics' lien law, abolition of imprisonment for debt, and increased taxation for the public schools, naturally reduced the number of active unionists and diminished the ardor of those remaining in the organizations. (*c*) Coupled with this was the rising tide of the slavery agitation, which drew the attention from the demands of the workers and absorbed much of the vigor of the humanitarian leaders. (*d*) The stigma of infidelity which became attached to the workingmen's party was a serious handicap to that form of labor agitation. (*e*) The communistic movement was also an important factor in weakening and dissipating the strength of the various labor organizations.

Labor and Humanitarianism. During the unique and "yeasty" period from 1820 to the panic of 1857, in which factories and industrial cities were developing and the canal and the railway were becoming valued transportation agents, the labor movement was only one of several movements and agitations. During this period the theory of protection was given

[1] *Hunt's Magazine*, April, 1853. See *Documentary History of American Industrial Society.* Vol. 8:335.

practical application in several tariffs, particularly those of 1828 and 1832, but the movement toward high tariffs was checked temporarily by the rising tide of free trade, of which the tariff of 1846 is a result; the stream of immigration broadened; the suffrage was extended; imprisonment for debt was practically abolished; and various humanitarian movements of a permanent or an ephemeral nature appeared, ranging from communism to free tax-supported schools, and from religious revivals and temperance movements to the abolition movement and agitation for prison betterment. In this era the West, the workingmen, the cities, and the manufacturing interests first became important factors in defining the political and economic progress of the nation.

A progressive age, an epoch in which the new is grappling in a death struggle with the old, is ever prolific of peculiar and fantastic movements, creeds, and parties, which soon die out, but which usually leave some lasting imprint upon the dominant characteristics of the time. These movements spring up and run their short course alongside of the great and permanent advance movements of the age. This period of thirty or forty years is characterized by wide-spread agitation for social betterment. Among the significant forces which were at the fountain-head of the labor and other movements were the panics of 1819 and 1837, the gradual introduction of labor-saving devices, the extension of the market area, and the inherited belief in the equality of men and in the right of all to liberty and the pursuit of happiness.

Like the labor movement of this era, the various concomitant humanitarian agitations may be separated into two groups. In the decade and a half from 1825 to 1840 occur agitations for educational advance, prison reform, abolition of imprisonment for debt, temperance crusades, organization of charitable societies, and the communistic movement led by Robert Owen. This period was preëminently a practical one; the decade of the forties was, on the other hand, in the main idealistic. This

characterization fits the labor movements as well as the humanitarian movements of the period. The decade of the forties has been called the "hot air" period and an era of "unbounded loquacity"; it is associated with Fourierism, transcendentalism, abolitionism, and the Brook Farm experiment. The labor movement of the era preceding the Civil War was not an isolated phenomenon; it was very closely related to other agitations. The working people were also important factors in establishing our free school system, in abolishing the practice of imprisoning debtors, and in urging land reform.

Men are prone to overestimate the economic and social evils of the present and to underestimate those of eras which lie behind the civilization of today. We of the present are more or less familiar with the vast amount of suffering and criminality which followed the severe crises of 1873, 1893, and 1907–1908; but the relative amount of hardship suffered as the inevitable consequence of those of 1819 and 1837 is scarcely less. During the period of depression from 1816 to 1822 or 1826, in different cities public-spirited citizens served on committees to relieve distress, soup houses were opened, and an attempt was made to discover the causes of pauperism. The old superficial explanation that intemperance was the source of the evils was quite readily and generally accepted. Professor McMaster summarizes the situation as viewed by the investigators: "A careful examination of the reports on the condition of the poor for the years past (1808–1817) revealed the alarming fact that paupers were increasing more rapidly than population. Fifteen thousand, or one-seventh of the population of the city, were actually living on charity. About one-sixteenth of them were worthy persons reduced to poverty by the depressed state of commerce. Another sixteenth were paupers from a variety of causes. But seven-eighths were people reduced to poverty by the inordinate use of liquor." *Niles' Register* is the authority for a statement that in the county of Chester, located in a rich and populous section

of Pennsylvania, the number of paupers increased from one in every 345 inhabitants in 1810 to one in every 138 in 1820. In Philadelphia in 1820 the ratio between paupers and the total population was estimated at slightly more than one to fifty. In the early twenties the increase of juvenile crime and in the number of child vagrants attracted much attention, and was a factor in causing the demand for free schools.

A New York City paper published in 1835 declared that 6,069 criminals and vagrants were committed to the local jails in 1833. The number of public paupers for the same year was 24,326. About one-eighth of the total population was included in the three classes. The amount raised by taxation for the purpose of maintaining this publicly supported army was estimated to be about $300,000.

The winter of 1838 was an unusually severe one; and the effects of the panic were such as to cause much unemployment. "There never had been such a time of suffering in New York before, and there has not been since."[1] Horace Greeley was a faithful worker on a citizen's committee appointed to relieve the suffering of the poor during that awful winter. His experience in this connection produced the frame of mind which led to his adoption of the principles of the utopian French socialist, Fourier. In 1844 Parke Godwin, a Fourierist socialist, painted a pen picture of the contrast between the luxurious rich and the wretched poor of the cities, which greatly resembles the contrast between the Fifth Avenue of today and the slums of any great city at the present moment. The presence of vast quantities of unworked, but fertile, land did not insure a decent living for all. The working people drawn into the cities and the factory towns saw and felt the pinch of poverty. Contrasts and evils loomed before them; and with the child-like faith of utopia builders they looked impatiently for a panacea for the ills which afflicted them.

[1] Written in 1872.

Imprisonment for debt was a practice which fell with peculiar severity upon those who were close to the poverty line, that is, upon the wage earners. In 1830 the estimated number of individuals imprisoned for debt was, in Massachusetts, 3,000; in New York, 10,000; in Pennsylvania, 7,000; and in Maryland, 3,000. At that time the practice had been abolished in two states, Ohio and Kentucky. Persons were imprisoned for small as well as for large debts; for debts which the debtor was unable to pay as well as for debts contracted for the purpose of defrauding the creditor. In one city forty cases were recorded in which the sum total of the debts was only $\$23.40\frac{1}{4}$, an average of less than sixty cents each. In some states the debtor was not only denied the right to an opportunity to earn wages in order to pay his debts; but he was obliged, if he was an honest debtor, to depend upon charity for the necessities of life, — food, clothing, and fuel. Local humane societies often kept debtors from freezing or starving. A criminal was given greater consideration in regard to food and fuel than was accorded the imprisoned debtor. Nearly all the resolutions adopted by the numerous mass meetings of workingmen held in the latter part of the decade of the twenties and the first half of the thirties contain clauses demanding the abolition of imprisonment for debt. The labor journals of that period were uniformly opposed to the practice. The ephemeral labor parties made imprisonment for debt a plank in their platform. Tammany became interested in this reform as soon as it saw the necessity of getting the labor vote. In 1831 an act was passed in New York, abolishing imprisonment for debt except in cases of fraud. In other Northern states the workingmen carried on an active agitation in regard to this matter. By 1840 imprisonment for debt had been abolished in practically every Northern state. This reform was accomplished by means of the steady, effective pressure of the newly enfranchised and rapidly growing laboring class, aided and led by the humanitarian element. As has been

stated, the mechanics' lien law, which made the wage earner a preferred creditor of his employer, was pushed through the New York legislature in order to gain the vote of the workingmen. This legislation soon spread to other states.

The Free School System and the Wage Earners. The first great panacea of the organized wage earners was free and equal education. For years influential and learned men had been preaching the doctrine that the uneducated must ever remain in a degraded caste. "Equality among men results only from education"; "the educated man is a good citizen, the uneducated an undesirable member of the body politic." These were the oft-repeated phrases which came from many sources to the anxious wage earners. Suddenly the disturbed mass of toiling humanity was touched by the monotonous repetition. Free, equal, practical, republican education became the shibboleth of the workers. One of the radical resolutions upon this topic was adopted at a meeting of workingmen held in New York City in November, 1829: "Resolved, that the most grievous species of inequality is that produced by inequality in education, and that a national system of education and guardianship which shall furnish to all children of the land, equal food, clothing, and instruction at the public expense is the only effectual remedy for this and for almost every species of injustice. Resolved, that all other modes of reform are, compared to this particular, inefficient or trifling." Practically every workingmen's meeting, from Albany and Boston on the north to Wilmington and Charleston on the south, took up the cry. Speeches, editorials, and resolutions galore, and planks in local workingmen's party platforms, are recorded of the period from 1828 to about 1833. Horace Mann, Henry Barnard, James G. Carter, Robert Dale Owen, George H. Evans, and others directed the movement; but the potent push came from the firm demand of an aroused and insistent wage-earning class armed with the ballot. The rural districts, employers, and men of wealth were rarely favor-

able to the tax-supported school; and often their voices were raised against it in bitter protest or stinging invective. A careful study of the development of the public school system in different states — Massachusetts, Connecticut, Vermont, Rhode Island, New York, Pennsylvania, Delaware, Ohio — and the utter lack of a free school system in the slave-holding South, confirm these general statements. The wage earners were touched with the enthusiasm of a utopian dreamer. Given free and universal education, and, they firmly believed, all social ills would vanish as the mists before the morning sun. A mistaken idea it has proven to be; but it was, nevertheless, potent and compelling in that formative period of our industrial history.

The direct influence of the wage earners in the establishment of free schools is perhaps most clearly shown in Rhode Island and New York. In that small and unique New England state, Rhode Island, before 1820, it was held that to compel a citizen to educate his children would be an invasion of his sacred rights as a citizen of the commonwealth. The sentiment of the influential class was distinctly adverse to a tax-supported school system. Rhode Island was suddenly transformed from an agricultural and commercial to a predominately manufacturing state. A bitter, but successful, struggle for the extension of the suffrage followed; and within a decade after its conclusion the free tax-supported school became a generally accepted institution. The workingman's ballot was in no small measure responsible for this sudden and complete reversal of policy. In New York, after a year's experience with a school system entirely supported by taxation, the legislature, in response to the demands of the opponents of system, submitted the question of a repeal of the law to the voters of the state. Only seventeen out of a total of fifty-nine counties voted against the repeal of the law and for the free school system; but the majority in these counties was so large that the repeal was defeated. In

the seventeen counties were located the more important cities of the state — including New York, Brooklyn, Albany, Buffalo, Schenectady, and Syracuse. The voice of the cities and of the workingmen was unmistakably in favor of the tax-supported school system.

Land Reform and the Wage Earners. After the panic of 1837 the discontented and suffering workers pushed another panacea into the foreground. Free homesteads for actual settlers, became a slogan. If each head of a family is given the right to acquire a quarter section of virgin soil, all will be well. Again, the wage earners play no small part in giving the nation another important piece of legislation — the Homestead Act. Land reformers — humanitarians — blazed the way toward this act; but the workingmen of the cities early looked with favor upon free land for homesteads. *The Working Man's Advocate* gives an account of a meeting held in New York City in January, 1845. One of the resolutions adopted declared "that in our opinion the best method of putting an end to Feudalism and Land Monopoly in this State would be for the Legislature to pass a general law limiting the quantity of land" which one person could own. Greeley pointed out two ways in which the city laborer would benefit: (*a*) Some competitors would be drawn to new lands, thus tending to raise wages, or at least to prevent lowering the rate of wages. (*b*) There would be an increasing demand for the products of manufactories and workshops, thus increasing the demand for labor.

Employers of labor were favorably impressed by the latter effect, but unfavorably by the former. Their attitude would largely be determined by the relative importance of the two. After the potato famine in Ireland and the revolutionary disturbances of 1848, the rapid influx of immigrants afforded a supply of labor which would not be seriously drained by free homesteads. The gradual development of the factory system and the expansion of the railway network showed the need of

wide markets on the one hand, and the possibility of economically reaching distant markets on the other. To carve farms out of the virgin Western wilderness meant the creation of a demand for the products of factory and mine. This shifting of the economic center of gravity caused many of the manufacturers and employers of labor to align themselves with the land reformers and the workingmen in demanding the rapid extension of the small farm system with individual ownership. The South with its plantation system and its slave economy stood as a mighty obstacle. The platform of the Republican party in 1860 contained a plank in favor of "the free homestead policy"; and when the Southern Senators and Representatives left the halls of Congress at the opening of the Civil War, the famous Homestead Act became a law.

"The Republican party . . . was a homestead party. On this point its position was identical with that of the workingmen."[1] A study of the vote in the first election in which the Republican party was a factor shows clearly that it flourished in sections where industrial progress was considerable. Practically all the counties on the line of the Erie Canal and the southern shore of Lake Erie went Republican in the election of 1856. The important exceptions were Erie County, in which Buffalo is located, and three counties in Ohio bordering on the lake. Allegheny County, including the city of Pittsburg, was carried by the Republicans. All New England went Republican. The Republican party was strong wherever the New England man had migrated and along the highways of commerce and communication between the upper Mississippi valley and the Atlantic seaboard.

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CHAPTER IV

THE CIVIL WAR PERIOD, 1857–1872

The period of the Civil War is unique in American industrial history. It may not inaccurately be termed the epoch of the second American industrial revolution. The period marks as significant a change in our industrial and social history as in our political history. The war caused an unprecedented drain of workers from the productive industries into the army; thousands of workers left the plow and the bench to take up the musket. The demand for goods was deranged as a consequence of hostilities; an abnormal demand arose for army supplies and the munitions of war. The war tariffs and internal revenue acts were also disturbing factors. Soon after the opening of the contest large issues of paper money were made; and, as a consequence, prices rose rapidly and were subject to great fluctuations. The diminution in the supply of adult male labor caused an increased resort to child, woman, immigrant and convict labor, and led to the rapid introduction of labor-saving machinery. While the tendency toward concentration of industry and wealth began to be apparent during the decade preceding the war, the abnormal conditions existing during the conflict greatly accelerated the movement. A few labor organizations trace their history back to the decade of the fifties; but the Civil War is responsible for the industrial changes which have made labor organizations permanent factors in our industrial life. The growth of the railway network rapidly enlarged the market area, and brought the middle West into direct communication and competition with the seaboard. In short, this abnormal epoch gave an extraordinary impetus toward invention, large-scale

industry, and the formation of labor organizations. "The Civil War made iron the king of the American industrial world."

The historian can discern that the decade of the fifties foretold the downfall of the small-scale industries and the advent of industrial combinations and of the large corporations; but contemporary students saw only the slavery agitation and the events which were hurrying the nation into civil strife. The discovery of gold in California in 1848 quickened the pulse of industry. The migration of people to the far West began; and the population of California increased fourfold in the decade of the fifties. The iron and copper mines of the Lake Superior regions commenced to send shipments to the lake ports; and the iron industry of northeastern Ohio began to give promise of its future magnitude. The year 1859 marked the beginning of the phenomenal growth of the oil industry. Many notable inventions were patented in the years immediately preceding the Civil War. Among these may be mentioned the sewing machine, the telegraph, boot and shoe machinery, and the reaper. The wheat and corn production of the middle West was increasing by leaps and bounds. Exports and imports doubled in the decade of the fifties. In 1850 our imports of merchandise were valued at $173,500,000; 1860, at $353,600,000.

Industrial Progress During the War. "Life at the North during the war," writes the historian Rhodes, "resembled that of most civilized communities which had full communication with the outside world. Business went on, schools and colleges were full, churches were attended, and men and women had their recreations." With the exception of the first year, the Civil War period was one of prosperity in manufacture, transportation, mining, and agriculture. Profits were large; and the issuance of enormous amounts of paper money inflated prices and caused much speculation. The war produced an abnormal demand for standarized articles; and such a demand makes large-scale industry particularly advantageous. The woolen

industry experienced a phenomenal growth. The supply of cotton was cut off; and the government purchased large supplies of army clothing. New woolen factories were opened; many were operated both day and night. Dividends of ten to twenty per cent. were common; and larger returns were not unknown. Not satisfied with unusual profits honestly made, manufacturers resorted to the production of "shoddy" goods. The use of the sewing machine allowed the manufacturer of clothing to expand rapidly. "The shoe industry likewise benefited by the sewing machine, in fact was converted from a system of household manufacture to the modern factory system."[1] The rise of the iron industry was even more remarkable. The number of establishments for the manufacture of iron doubled in the decade of the sixties, the amount of capital invested multiplied nearly six times, and the value of the product likewise increased nearly six-fold. The American Iron and Steel Association was formed; and the iron manufacturers became a powerful obstacle on the path of the movement for tariff reduction after the war was ended. Pittsburgh was already the great center of the iron and steel business.

Before the close of the war the refining of petroleum became an extensive industry with Cleveland as its chief center. Railway building also continued during the war. In 1860 the railway mileage was 30,635; in 1870 the total had grown to 52,914 miles. Coal and iron mining increased rapidly. Agriculture experienced a healthy growth during the war. The call for men to go to the front reduced the working force and led to an unprecedented demand for farm implements. It is estimated that about 70,000 mowers and reapers were manufactured in 1864, about twice as many as in 1862. Few machines were sold abroad. The customary conservatism of the farmer and his distrust of new methods and implements vanished in the face of the necessity of harvesting his crops. The population

[1] Fite, *Social and Industrial Conditions during the Civil War*. P. 90.

of the Western states increased rapidly. The state census of Illinois taken in 1865 shows a gain in population of 430,000 over the returns for 1860, an increase of nearly twenty-five per cent. The returns for the city of Chicago were 109,260 in 1860, and 178,539 in 1865. Chicago became the center for the grain and the slaughtering industries; but the increase in manufacturing is also remarkable. The following table illustrates the way in which manufactures developed in that city:[1]

Establishments	*1857*	*1864*
Agricultural implement factories	2	9
Breweries	19	27
Distilleries	7	21
Grain elevators	7	18
Packing houses	13	60
Iron foundries	18	19
Machine shops	17	28
Tanneries	4	21
Carriage and wagon factories	43	154

Industrial Consolidation. While the merging of small business concerns into larger ones had appeared before the decade of the sixties in a few industries such as the manufacture of cotton goods, the railways, and the telegraph lines, the definite movement toward centralization which is so characteristic of the last half century actually began with the Civil War. The Western Telegraph Company finally absorbed its important rivals in 1866. While the soldiers of the North and the South were fighting on many a battlefield, railways were uniting; capitalists were combining to control coal mines and lumber lands; oil refineries and salt mines were being gathered under the control of a few companies. "By 1864 the iron business," writes Miss Tarbell, "was rapidly becoming a monopoly." Under the pressure caused by the emission of paper money, price agreements and combinations of various sorts were made. Associations of manufacturers were formed

[1] Fite, *ibid.*, p. 95.

to oppose higher taxes or to influence tariff legislation. The National Brewers' Association was formed in 1862. In 1870 a brewer declared that if a proposed revenue law went "into effect, the brewers would form an organization which would not only control $200,000,000 of capital, but which would have thousands of political votes at its disposal."[1] Other organizations, such as the National Association of Wool Manufacturers, the New England Cotton Manufacturers' Association, and the American Iron and Steel Association were formed for similar purposes. "Never in the history of the country up to that time had there been such a strong tendency toward united and harmonious action on the part of the employing classes, whether this resulted in a complete merging of one company into another or looser and more temporary organizations to consider the subject of prices, internal taxes, the tariff, or wages; never had there been such an incentive to consolidation and union. Combination in every line was the tendency of the hour."[2]

Wages and Prices. The most familiar and trustworthy source of data regarding money, wages, and prices during the period of the Civil War is the report of a Senate Committee made in 1893. This report is commonly called the "Aldrich Report." According to this report the increase in relative wages and prices may be summarized in the following table.:[3]

Year	*Prices Simple Averages*	*Money Wages Simple Averages*	*Real Wages Simple Averages*
1860	100.0	100.0	100
1861	100.6	100.8	100
1862	117.8	102.9	87
1863	148.6	110.5	74
1864	190.5	125.6	66
1865	216.8	143.1	66
1866	191.0	152.4	79

[1] Schlüter, *History of the Brewing Industry and the Brewery Workers' Organization.* P. 79.

[2] Fite, *Social and Industrial Conditions during the Civil War.* Pp. 168–169.

[3] Bogart, *Economic History of the United States.* P. 340.

The table presented above indicates that prices rose on the average more than money wages; and that consequently the real wages of wage earners in 1864 and 1865 were only about two-thirds that received in 1860. The wage earners and the salaried men were, therefore, seriously affected by the rise in prices. One qualifying statement is worthy of notice. Many of the able-bodied and most capable workers joined the army; consequently, the average efficiency of the workers in a given trade or industry was probably reduced. School teachers suffered greatly because of the rising price level. In 1865 the school teachers of Philadelphia presented a memorial to the city council showing the increased prices of various necessities of life. This memorial presents, in a very concrete manner, the difficulties which confronted the wage earners of the period.[1]

Article	*Price*		*Increase*
	1860	*1865*	*per cent*
Tea (lb.)	50 cents	$1.50–$1.75	200–250
Coffee	14	66–70 cents	330–400
Sugar	8	30	275
Beef	11–14	22–30	100 (over)
Mutton	8–10	16–20	100 (about)
Lard	11	30	173
Butter	25–35	70–$1.00	280–285
Milk (qt.)	4–5	12	140–200
Flour			100
House rent			50
Men's clothing			200
Dress goods for women and children			300–400
Muslins			400–450
Brown sheetings			600–650
Canton flannels	10 cents	75 cents	650
Cotton flaps	18	$1.75	872
Coal and wood			150–200
Boots			200–300

Labor During the Civil War Period. The rapidity with which prices rose in the sixties was even more marked than in

[1] *Fincher's Trade Review*, January 28, 1865.

the thirties. In the earlier period, as was indicated in a previous chapter, an extraordinary outburst of trade-union activity was induced; and the rapidly rising prices of the sixties had the same effect. After 1862 labor agitation became considerable; concerted effort was necessary in order to force increases in wages commensurate with the rise in prices. In the period of the sixties, however, the supply of labor was reduced until the close of the war, then it was suddenly expanded. In the thirties, few labor-saving devices came into use. In the sixties, labor-saving devices multiplied rapidly; and the employing classes were more strongly united than in the earlier period. On the other hand, the wage earner might become a soldier or move to the farming or the mining districts of the West or of the middle West. Thus the growth of organization among the wage earners met certain obstacles which were not important in the thirties.

The decade of the fifties witnessed the organization of several national trade unions and of an indefinite number of local unions. For example, the cigar makers of Cincinnati are reported to have organized a local in 1843; another was formed in Baltimore in 1851. In succeeding years, additional locals were formed in New York and other cities. In 1850 a national union of printers was organized. None had existed since the ephemeral national organization of the thirties disappeared amid the chaos of the panic of 1837. The National Trade Association of Hat Finishers was organized in 1854. The iron molders and the machinists and blacksmiths formed national unions in 1859; and the ship carpenters and the coal miners in 1861. The period of the fifties had been marked by little labor legislation except of the humanitarian type.

With the issuance of paper money the workingman awoke to find himself menaced by rising prices and opposed by an alert, capable, and strong employing class. From 1863 to

1865 the working people organized and carried on strikes in much the same manner as from 1834 to 1837. A newspaper dated March 26, 1863, stated that many strikes had occurred "within the last few months." Numerous trade-union organizations were said to have been organized.[1] Evidently strikes were again "the fashion" and organization and agitation the watchwords of the wage earners. Until near the end of the war strikes were usually successful; but they were not sufficiently successful to cause the increase in wages to keep pace with rising prices. "At one mass meeting in New York over fifty different unions, most of which were new, were represented, and by a conservative estimate the total number of new unions in the city may be placed at three hundred."[2] New national organizations naturally appeared; several were formed before the surrender of Lee. Among those organized were the Brotherhood of the Footboard, the forerunner of the Brotherhood of Locomotive Engineers, the Cigar Makers' International Union, and the Bricklayers and Masons' International Union. Before the close of the year 1865, at least thirty city central unions were organized. "Finally, in September, 1864, when the membership of the unions was estimated at two hundred thousand, the trades' assemblies endeavored to form a national, or, rather, the International, Industrial Assembly of North America. The uppermost questions in this first national gathering were strikes, the store-order or truck system of paying wages, coöperation, prison labor, and woman's work"[3] From 1863 to 1866 the insistent demands of organized labor were for higher wages, a shorter working day, and the right to organize without interference on the part of their employers. The aims of the wage earners at this time were predominating practical.

[1] Quoted from Mitchell, *History of the Greenbacks*. P. 348, foot-note.

[2] Fite, *ibid*. P. 205.

[3] Commons and Andrews, *Documentary History of American Industrial Society*. Vol. 9 : 23.

With the return of the soldiers looking for employment, the zeal for unionism increased in strength; but the methods and ideals of labor organizations were gradually modified. In 1866 a National Labor Congress was held in Baltimore. The National Labor Union, the second successful attempt to form a national organization of all labor unions, seems to have been an outgrowth of the Congress of 1866. Annual conventions of the National Labor Union were held in 1867, 1868, 1869, 1870, 1871, and 1872. The National Labor Union was a weak federation of local, state, and national organizations. In the first convention at least, delegates were received from organizations other than pure and simple trade unions. The constitution of the Union declared that it "shall be composed of such labor organizations as may now or hereafter exist, having for their object the amelioration of the condition of those who labor for a living. . . . Every international or national organization shall be entitled to three representatives; state organizations to two; trades' unions and all other [labor] organizations to one representative in the National Labor Congress."[1] The officers consisted of a president, two vice-presidents, a recording secretary, a treasurer, and one corresponding representative in each state. The annual dues varied from $1.00 for organizations numbering fifty members or less, to $6.00 for all unions having more than five hundred members.

One of the measures favored from the outset was an eight-hour day for all wage earners. This demand was taken up by organized workers from the Atlantic to the Pacific. In June, 1868, on the eve of a presidental election, Congress passed a soon-to-be-emasculated eight-hour law applying to all laborers and mechanics "employed by or on behalf of the United States government." The National Labor Union loudly proclaimed that it had been a potent factor in securing the

[1] The word "labor" was inserted in 1868.

passage of this act. The prestige thus given to it made the 1868 meeting by far the most important of the six conventions of this organization. In 1868 William H. Sylvis, who was the leader of the iron molders' union, and one of the ablest workingmen of this period, was elected president, but he died a few weeks before the next annual meeting. The meeting held in 1872 closed the career of this weak advisory national organization. Only seven delegates attended the last meeting. One well-known authority decided that this organization died "from the disease known as politics";[1] but its chief purpose and aim seems to have been political rather than economic. It came into being because of a desire to influence legislation.

The important demands and recommendations in the platform adopted in 1868 by the National Labor Union, were: (1) Since the money monopoly was the parent of all monopolies, the national banking system should be abolished, and the capital stock of banks and government bonds should not be exempted from taxation. (2) The establishment of coöperative stores and workshops was favored. (3) The organization pledged itself to aid women wage earners. (4) The abolition of the contract system of convict labor was demanded. (5) The platform asserted that poverty, vice, and crime invariably accompanied bad housing conditions; and it asked for better dwellings for workers. (6) The establishment of mechanics' institutes, lyceums, and reading rooms for the education and enjoyment of the wage earners was recommended. (7) As a remedy for unemployment, emigration to Western lands was advocated.

Other demands made by organized labor during the latter half of the sixties were (1) for an eight-hour day, (2) that no land grants be made except to actual settlers, (3) for the establishment of a national labor bureau, (4) that the impor-

[1] Ely, *The Labor Movement in America*. P. 69–70.

tation of cheap labor be restricted, (5) for the reduction or abolition of tariff duties on the necessities of life, (6) that only a small standing army be maintained, and (7) for the early payment of the national debt. The demands of labor at this time were primarily political and required the passage of legislation by the national and state governments. The demands which could be obtained by purely trade-union methods were few. Unionism in the period 1866 to 1870 was political rather than business unionism.

Finally in 1869, at the close of the period under consideration, a so-called labor-reform party was organized in Massachusetts. In the first year of its existence, the party elected twenty-one representatives to the State Assembly and one State Senator. The state ticket polled 13,000 votes, or about one in every ten votes cast.[1] At the second convention held in 1870, Wendell Phillips was nominated for governor. The prohibition party also placed Mr. Phillips at the head of its ticket. The labor party advocated the separation of industrial from political questions. The planks in the platform of 1870 were similar to the recommendations of the National Labor Union. Two or three new demands were made, however, which indicate the appearance of new evils. The regulation of railway rates and the abolition of the importation of laborers, particularly from China, under contract, were advocated. In 1871 the resolutions presented by Phillips and adopted by the labor-reform party were tinged with socialism. It was affirmed that labor is the creator of all wealth; the abolition of special privileges was demanded; and it was asserted that the capitalistic system was making the rich richer and the poor poorer. In 1872 a labor congress was held at Cincinnati to organize a national party for the election of that year. David Davis was nominated; but he finally refused to accept the nomination. No further nominations were made.

[1] *American Workman*, November 20, 1869.

During the last years of the period, coöperation vied with political action as a solution of the difficulties confronting labor organizations. William H. Sylvis, as early as 1864, advocated the establishment of coöperative foundries. According to this labor leader, "coöperation is the only true remedy for low wages, strikes, lockouts, and a thousand other impositions and annoyances to which workingmen are subjected."[1] It is known that a number of coöperative foundries were established during the latter years of this period.

The most significant demand made by the wage earners in this period was for an eight-hour day. The basic principles of the new philosophy of the short working day were formulated by Ira Steward, a mechanic of Boston. Steward boldly cast the time-honored wage-fund doctrine overboard. The short working day, by increasing the amount of the workers' leisure, would raise the standard of living of the workers. As the standard of living rises, wages, it was argued, would also rise, and more and more machinery would be used in production. "To employ muscular labor," wrote Steward, "instead of the great forces of nature, not only means poverty, but the physical abuse, deformity, and premature decay of the laborer. . . . Natural forces never grow tired; are always ready when the conditions necessary to employ them are ready; and to their power to produce wealth abundantly there is no conceivable limit." If labor were made expensive by shortening the working day and increasing the wants of the wage earner, natural forces would multiply indefinitely the total amount of production. Wages are thus made indirectly to depend upon the standard of living. This optimistic program aimed at the final elimination of the capitalist. "For wages will continue to increase until the capitalist and laborer are one," and therefore it follows that coöperation will replace the wage system. But the presence of wage

[1] Quoted in Ely's *The Labor Movement in America*. P. 183.

earners satisfied with a low standard of living was considered to be a constant menace to all clinging to a higher standard. In the era of wide markets, high standards of living in America are menaced by the low standards of the men in China and India. "The world-wide power of the lowest, over the highest paid labor, can no longer be disregarded," declared this spokesman of the wage-earning class of a generation ago. "Although Steward failed to secure general legislation in all states, the trade unions made his doctrine their basic one; and today, among American wage earners, whether organized or unorganized, as distinguished from immigrant wage earners, Steward's doctrine is the instinctive philosophy."[1]

The era of rising prices in the thirties caused a flash of class consciousness. Again, from 1862 to 1866, bitter antagonism between employer and employee was not lacking. On June 30, 1863, preceding the battle of Gettysburg by three days, an organization of Philadelphia employers decided to run the establishments of their members only half-time, paying half-time wages, "in order that the men may organize and drill in the afternoon." This patriotic ardor was not displayed until Lee's army menaced Pennsylvania. *Fincher's Trade Review* declared that the employers "mean to combine for the purpose of forcing their hundreds and thousands of employees to defend their (the employers') property, at their (the employees') own expense." The editor of another labor paper antedated by nearly forty years the opening words of John Mitchell's *Organized Labor* when he stated that the workingmen no longer expect to become capitalists. He declared that an exclusive caste based upon wealth was in the process of formation. "The hope that the workingman may enter this circle is a glittering delusion held up

[1] Commons and Andrews, *Documentary History of American Industrial Society*, Vol. 9 : 26. The quotations from the writings of Ira Steward are taken from articles reprinted in this volume.

before him to distract his attention from the real object of his interest." [1] William H. Sylvis, in a speech delivered in the latter part of the sixties, spoke of "a money aristocracy — proud, imperious, and dishonest. . . . This power is blasting and blistering everything it comes in contact with." [2]

The influx of immigrants during the last years of the war and the occasional use of Negroes as strike breakers intensified the antagonism between the employers and the union men. And the coming of the immigrant increased the divisive force of race prejudice and antagonism which has retarded the development of unionism in this country. It was feared that when the workingmen who had enlisted returned they would find their places filled by immigrants from foreign lands and by the emancipated slaves. As early as 1863 a spokesman of the wage workers demanded "proper restriction upon the ingress of emancipated slaves." Owing to his low standards of living, it was said that the black man could not be a "fair competitor of the white worker." [3]

In the Civil War period, labor was never strongly organized. No clear vision of the solidarity of the laboring classes had as yet caught and held the attention of the wage earners. But the Civil War made permanent labor organization inevitable. The Civil War marks a transition period in our labor history. Concentrated capital, the extensive use of subdivided labor, the influx of the cheap labor of southern Europe, and the peopling of the West have given organized labor its big problems. Henceforward, the United States was destined to be "an industrial community which organized its industries on a large scale." With the panic of 1873 unionism suffered a temporary check, only to be followed by a new era in the history of labor organizations.

[1] *The Workingman's Advocate* (Chicago), September 1, 1866.

[2] Sylvis, *The Life, Speeches, Labors, and Essays of William H. Sylvis*. P. 280.

[3] *Fincher's Trade Review*, June 13, 1853.

The Knights of St. Crispin. The history of this organization of shoemakers is considered in this chapter because it arose during the period of transition of the shoemaking industry from the small-scale or handicraft stage to the large-scale or factory stage, and near the close of the Civil War period. During the early fifties many inventions were made which "were aids to the journeyman rather than substitutes for his skill." But with the introduction of the pegging machine in 1857 and the sole-sewing machine five years later, the journeyman shoemaker faced the danger of the loss of his trade and the competition of unskilled labor or "green hands." With the invention of these machines the shoemaking industry was ripe for the factory stage, and the Civil War with its demands for soldiers' shoes caused the evolution to be almost a revolution. By 1870 or 1875 the factory system was well developed. The Knights of St. Crispin were first organized in 1867; and the first meeting of the Grand Lodge was held in 1868. In form it was a secret organization with a ritual. Within five or six years this organization became the most powerful labor organization formed up to that time; and then it quickly melted away. "It made and unmade politicians; it established a monthly journal; it started coöperative stores; it fought, often successfully, for better returns to its members for labor performed; it grew rapidly in numbers, and became international in scope."[1] A New York newspaper in 1869 stated that the first lodge of St. Crispin in that city was organized in 1868 in an attic room; but the union had grown until it was said to include in its membership nearly all the skilled shoemakers of the city and to control practically all the shops of the city. At the height of its power the order had a membership of at least 40,000, or it contained about four times as many workers as any other labor organization then in existence. The order practically disappeared soon after the panic of 1873.

[1] McNeil, *The Labor Movement.* P. 200.

The shoemakers were confronted by two dangers; either one of the two alone would have been sufficient to call forth organized protests. The two united forced the craftsmen with an almost unparalleled spontaneity into a powerful labor organization. In the first place, the effect of rising prices directly pinched the shoemaker as it did other workers; and, secondly, the employers in the factories were substituting green hands — cheap labor — for the skilled journeymen as a consequence unemployment increased and the employers were actively trying to reduce wages. The St. Crispins were primarily organized as a national body, not so much to protest against the use of the machine as against the introduction of cheap labor which seemed to the journeymen to be the abuse of the machine. They attempted to establish a monopoly in the shoemaking industry by refusing to teach apprentices and green hands. One of their important rules read: "No member of the order shall teach or aid in teaching any part or parts of boot or shoe making unless the lodge shall give permission." The St. Crispins utilized the strike; but they considered coöperation to be an efficient remedy "for many of the evils of the present iniquitous system of wages." "The Knights of St. Crispin was the first great protest of America's workmen against the abuse of the machine. Fantastic in some of its superficial features, crude in its methods, and loose in its organization, it yet embodied an essential demand for justice. The shoemakers insisted, and rightly, that the benefits of machinery should be to those who toil with it as well as to those who own it or buy its products."[1]

Such a powerful labor movement could not fail to develop opposing associations of employers and dealers. One of these, a Shoe and Leather Association, protested against the methods of labor organizations. Using words similar to those em-

[1] Lescohier, *Bulletin of the University of Wisconsin*. No. 355, p. 59. See also Commons, *Quarterly Journal of Economics*. Vol. 24: 72–75.

ployed by employers' associations of today, this body declared that "nothing will improve the condition of journeymen but mental and moral culture." A vigorous protest was made against what is now called the closed shop policy. This policy was held to be a violation of the rights of both employer and employee. Wages should be determined by the familiar law of demand and supply without interference on the part of organized labor.[1]

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CHAPTER V

THE PERIOD OF NATIONAL ORGANIZATION

Recent Industrial Progress. The panic of 1873 again accelerated the movement toward industrial combination by forcing many small concerns into bankruptcy; and soon after the recovery from the panic of 1893, the rush toward integration of industries began. The census statistics clearly show the rapid progress in manufacture toward large-scale industry.

Factory, Mechanical, and Neighborhood Industries

	1870	1880	1890	1900	1905
Number of establishments.....	252,148	253,852	355,415	512,254	533,769
Wage earners (total)	2,053,996	2,732,595	4,251,613	5,308,406	6,152,443
Capital (total)	$2,118,208,769	$2,790,272,606	$6,525,156,486	$9,817,434,799	$13,872,035,371
Value of products (average)	4,232,325,442	5,369,579,191	9,372,437,283	13,004,400,143	16,866,706,985

Agricultural Implements

	1850	1860	1870	1880	1890	1900
Number of establishments	1,333	2,116	2,076	1,943	910	715
Capital (per establishment)	$2,674	$6,553	$16,780	$31,966	$159,686	$220,571
Value of products (per establishment).	$5,133	$9,845	$25,080	$35,327	$89,310	$141,549

The following table indicates the completeness with which the individual and partnership methods of business management of the pre-Civil War period have been superseded by the corporate form of control.

Character of Ownership of Establishments in the United States, 1905

	Establishments		Capital		Wage earners		Value of products	
	Number	Per cent.	Amount	Per cent.	Number	Per cent.	Amount	Per cent.
Individual	113 961	52.7	$965,831,738	7.6	755,972	13.8	1,702,980,808	11.5
Firm.....	47,942	22.2	1,188,892,836	9.4	841,280	15.4	2,132,619,830	14.4
Inc. Company..	51,156	23.6	10,510,811,355	82.8	3,864,549	70.6	10,912,080,421	73.7
Miscellaneous..	3,203	1.5	20,729,744	0.2	8,520	0.2	54,466,028	0.4

Up to the time of the panic of 1893, with a few exceptions, the profits made in a given business were usually expended for the extension of business within that industry, such as in the utilization of by-products. But gradually the opportunities for such investments declined. Then followed the building up of group interests. The United States Steel Corporation, with a capitalization of approximately a billion dollars, is perhaps the best example up to date of integration in industry. This corporation controls over two hundred manufacturing and transportation companies, iron ore mines which produce approximately four-fifths of the iron ore mined in the United States, and about one-half of the coke output of the country. It not only combines under one board of directors iron and steel mills, but such varied industries as bridge works, tin plate manufactories, coal and iron mines, coking furnaces, railway and steamship lines, docks, and limestone quarries.

In 1904 it was estimated that over three hundred "trusts," capitalized at more than seven billion dollars, and operating over five thousand plants, existed in this country. "Trusts" control, in a more or less complete manner, the production of a multitude of dissimilar articles, — from iron and steel to candy, from locomotives to tin cans, and from beef to buttons. The railways of the country are controlled by a few companies. The control of our public utilities, the telegraph lines and the express business, is centralized. The directors of great combinations like the Standard Oil Company are also found among the directors of a multitude of other important businesses, — railways, banks, manufacturing establishments, and steamship companies. Industrial control is growing more and more unified. Intimate relationships now exist between railways, mines, industrials, and banks. The efforts of the men in control are now chiefly directed toward increasing ownership and strengthening control rather than toward industrial efficiency. Financial manipulation rather than

technical efficiency is becoming the aim of the captains of industry or rather of the generals of finance. The technical experts are employees. This evolution in the industrial and financial world very materially affects the relations between labor and capital, between the employee and the employer. The personal nexus between the employer and the wage earner has vanished; and their contact is now impersonal and long-distant. The stockholders, scattered all over the nation, and the directors never or rarely come in touch with the technical and concrete affairs of the business they own and control. Labor problems and all the facts and incidents of modern industrial and social life cannot be thoroughly understood unless due weight is given to the effects of the centralization and the unification of industrial management.

Organizations of Labor. The panic of 1873 forced many unions to disband. Since the dues paid by the members of these early trade unions were low and no adequate system of benefits was provided, many organizations could not stand the pressure of hard times. The membership of the International Typographical Union, for example, fell from 9,797 in 1873 to 4,260 in 1878; and the number of unions in the organization decreased from 105 to 60. Several of the organizations among the wage earners founded between 1873 and 1881 were secret in character, and were not strictly trade unions. "Aside from the national unions in a few trades, the most striking characteristic of labor organizations during this period was lack of unity. So long as these secret orders, some of which declared that trade unions had outlived their usefulness, thrived, any comprehensive trade union organization was well nigh impossible."[1] In the eighties the Knights of Labor gathered large numbers of workingmen into its fold; and, after 1878, local and national trade unions gradually increased their

[1] Aldrich, "The American Federation of Labor," *Economic Studies.* Vol. 3: 222.

membership. The depression of the nineties again retarded the progress of unionism. For five or more years after 1900, and following a period of rapid integration in the industrial world, the membership of labor organizations increased rapidly; but the history of this period can best be given in connection with that of the American Federation of Labor.

The Knights of Labor. The Noble Order of the Knights of Labor was organized by U. S. Stevens, a tailor of Philadelphia, on Thanksgiving Day of 1869. It was at first a secret organization. The name of the organization was even kept secret; and the order had a somewhat elaborate ritual. Later the element of secrecy was eliminated. The first local assembly of the Knights was composed solely of garment workers. The original intention seems to have been the formation of a trade union to advance the interests of the garment workers. Within a year, however, a man who was not a garment worker was initiated. The ideal of trade unionism was replaced by the hope of successfully amalgamating all workers into one coherent and centrally managed body. The first general assembly of the order was held in 1878, at which time the membership was reported to have been 80,000. The membership increased gradually until 1885, at which time it numbered over 100,000; then suddenly the order grew in strength until in 1886 at least 600,000 members acknowledged the supremacy of the general assembly. This was the high water mark in the history of the order. Mr. Powderly, the grand master workman, said:— "The officers were taken up in the vain attempt to assimilate and educate the incoming tide of humanity which looked to the organization for relief, rather than to their own efforts in the organization in the behalf of all." The symptoms of over-organization appeared; many strikes occured; political entanglements followed; co-operative experiments were costly; difficulties with trade unions became serious; and frequent internal dissentions arose.

The tide set definitely toward the formation of national trade unions and the membership of the Knights decreased. Federation rather than amalgamation became the accepted method of unification among labor organizations. The Knights of Labor lived for many years as an impotent organization.

The government of the Knights of Labor is highly centralized. The executive officers have a large measure of authority over the subordinate bodies. They may suspend officers and members, revoke charters, and, since 1886, order or terminate strikes. "Full and final jurisdiction in all matters pertaining to the local and district assemblies" is vested in the general assembly. This general governing body meets annually, and is composed of delegates chosen from each of the bodies directly subordinate to it. One delegate is allowed for a certain quota of members. Subordinate to the general assembly are national trade assemblies, state assemblies, district assemblies, and local assemblies. The local assemblies are usually composed of men of one trade; but some locals are "mixed assemblies" composed of men of various trades. The latter seek "to gather into one association all branches of honorable toil, without regard to nationality, sex, creed, or color." Men of nearly all classes are admitted. "At the option of each local assembly any person over the age of sixteen years is eligible to become a member of the order, except employers in the manufacture or sale of intoxicating liquors, and no banker, professional gambler, or a lawyer can be admitted." Many farmers were members of the order in the years of its greatest strength. A local may be directly attached to the general assembly; but it is usually subordinate to a district, a state, or a national trade assembly. A district assembly is composed of representatives of the local in a given locality. It may include only workers in one trade or it may be a "mixed assembly." "A state assembly, when formed, has jurisdiction over all the territory of its State

which is not assigned to mixed district assemblies already existing, together with such territory as may be surrendered by any such district assembly."[1] The national trade assemblies are, as the name indicates, made up of representatives from the locals composed of workers in one trade.

The Knights of Labor proposed to improve the conditions of the laboring class as a whole, not merely to better the conditions of a fraction of the mass, that is, of one trade. "An injury to one is the concern of all," is a favorite motto. The ultimate aim of the leaders of this organization in the early part of its career was some form of a coöperative commonwealth. In the days of its prosperity this organization had a fine conception of the solidarity of the working class; but the time had not yet arrived when an organization which aimed at the amalgamation of all workers could maintain an effective organization.

The declaration of principles adopted by the first general assembly indicates that the Knights of Labor expected the betterment of the working class to come through political action or coöperation rather than through strikes, boycott, and the other customary methods of trade unions. Among the reforms demanded by the first general assembly were the referendum, the establishment of a bureau of labor statistics, that occupancy and use of land should furnish the only valid title to land, the prohibition of child labor, the levying of graduated income and inheritance taxes, the establishment of a postal savings bank system, government ownership of the railways and of the telegraph lines, the introduction of the system of coöperation to supersede the wage system, the use of arbitration in the case of labor disputes, and the gradual introduction of the eight-hour day. One of their aims was "to make industrial and moral worth, not wealth, the true standard of individual and national greatness." This peculiar hotch-potch of idealism, political reform, and quasi-socialism could not

[1] *Report of the Industrial Commission.* Vol. 17: 17.

form a firm basis upon which to erect permanent union of men from many trades. Too many of these demands did not relate definitely and specifically to the immediate interests of the wage earners. The rank and file of the members of this order could not be expected "to discuss patiently, adopt calmly, and execute bravely, plans for the amelioration" of all wage earners, skilled and unskilled, black or white. Consequently, the Knights of Labor gave way to another organization whose eyes were fixed on more immediate goals, and whose ideal of government was confederation rather than centralization.

The American Federation of Labor. This national labor organization was founded in 1881. It grew slowly during the first years of its existence; the number of members represented in the annual meeting of 1890 was 190,000. This figure and subsequent figures represent the membership actually paying the per capita tax. The real membership is somewhat larger as some of the locals are "tax dodgers," and members engaged in strikes and lockouts do not pay dues. According to one estimate the actual membership is twenty per cent larger than the reported membership. The following table presents the official figures of membership and the number of affiliated unions:

Year	*Membership*	*Unions Affiliated*
1897	264,825	55
1900	548,321	82
1902	1,024,399	97
1903	1,465,800	113
1904	1,676,200	120
1905	1,494,300	118
1908	1,586,885	115
1911	1,761,835	115
1914	2,020,671	110
1917	2,371,434	111
1918	2,726,478	111
1919	3,260,068	111
1920	4,509,213	...

During the five-year period, 1900–1904, the growth in membership was considerable. For example, the gain between 1902 and 1903 was greater than the membership in 1900. After 1904 came a temporary check; not until 1911 did the membership equal that recorded in 1904. In 1914, the two million mark was passed; but a slump the following year left the membership less than two millions. If the actual membership be twenty per cent more than the paid-up membership, 5,400,000 wage earners were, in 1920, affiliated in the Federation. In 1919, practically all the important labor organizations of the United States were affiliated in this great Federation except several railway brotherhoods,[1] the Amalgamated Clothing Workers, and the Amalgamated Textile Workers. The Industrial Workers of the World is an antagonistic organization. It may roughly be estimated that 6,000,000 wage earners were members of American labor unions in May, 1920.

The growth in membership has proceeded at an irregular pace. There have been two periods of great advance in the history of the American Federation of Labor, 1900–1904, and 1917 to the present time. Before 1900 and from 1904 to 1917 the growth of the Federation was very deliberate. The first period follows upon the heels of the great era of trust organization, and the second covers the latter portion of the war period and the opening years of reconstruction. In the years intervening between 1904 and 1907, the policy of antagonism on the part of great corporations and powerful employers' associations, and the hostile attitude of the courts as evidenced by certain important decisions, were factors which retarded the growth of organized labor. About 1910 certain students of the labor situation reached pessimistic conclusions as to the immediate future of organized labor in the United States. In 1908, Professor Commons declared

[1] It seemed probable (May, 1920) that these would soon affiliate.

that "the unions have practically disappeared from the trusts, and are disappearing from the large corporations as they grow large enough to specialize minutely their labor." The attitude of certain large employers of labor has changed but little in the dozen years which have elapsed since this statement was made.

The American Federation of Labor is a federation of unions; the individual members have little or no direct relation to it. The basic unit in the organization is the local union, which includes only members who live and work in one town. The locals are required to join the national union in their trade. A local is also expected, but not required, to affiliate with the central labor union of the city or town in which it is located and the state federation, if one is organized in that state; and the latter bodies may not admit delegates from unions not affiliated with the Federation. A local union of machinists in Chicago, for example, is affiliated with the International Association of Machinists, the Chicago Federation of Labor, and the Illinois Federation of Labor. The national trade union, the city central union or federation of labor, and the state federation are each in turn affiliated with the American Federation of Labor. With few exceptions local unions are affiliated with the Federation only indirectly through a national union. If no national union as yet exists, the local may be directly affiliated with the Federation. A "federal labor union" is a mixed local union; such bodies are sometimes formed where distinct local trade unions are impracticable for lack of numbers. These unions are "recruiting stations." As soon as a sufficient number of workers of one trade or occupation are gathered into a federal union they are expected to organize a separate local. The federal unions are affiliated directly with the Federation; the national unions are federations composed of locals in a given trade. The authority and duties of national bodies vary greatly. Some national

bodies exercise strict control over the locals; others have little more than advisory power.[1] The chief purpose of the state federations is political. They aim to secure the passage of legislation deemed to be favorable to the interests of wage earners, and to defeat hostile legislation. City central labor unions are founded chiefly for the purpose of enabling "all organized labor in the city to act promptly in emergencies, and thus mutually help each other in labor difficulties by bringing to bear at once the combined influence of all labor organizations to effect a settlement." No city central labor union however, has the right to inaugurate a strike until the proper authorities of the national body or bodies concerned have given their consent. City central labor unions frequently exert considerable political influence in municipal politics and government; and they aid in molding public sentiment in favor of unions and of unionism.

In 1919 the American Federation of Labor included 111 national and international[2] trade unions, 46 state federations of labor, 816 city central labor unions, 884 "local trade and federal labor unions" unaffiliated with a national or international body, and 5 "departments." The Federation recognizes the autonomy of each national or international union; and the ultimate source of authority in the organization is found in these affiliated bodies. At the annual convention of the American Federation each national union is allowed one delegate for each four thousand paid-up members, or for any fraction of that number. For example, a national union having three thousand members would be allowed one delegate; if the membership were seven thousand five hundred, it would be allowed two. State federations, city central

[1] The government of the locals and of the national bodies will be considered in Chapter VI.

[2] There is no marked difference between a national and an international union. The latter has locals in Canada and Mexico as well as in the United States. A national body may also have outside locals.

unions, federal labor unions, and local unions having no national union may send one delegate each. At the 1909 convention 14,383 out of a total of 14,497 votes were accredited to the national and international bodies. In 1919, the number was 31,829 out of 32,159 votes. The officers of the Federation are elected at the annual convention. They consist of a president, eight vice-presidents, a secretary, and a treasurer. These officers also constitute the executive council. The term of office is one year. The headquarters of the Federation are located in Washington, D.C.

According to its constitution, the chief purposes of the American Federation of Labor are to knit the national and international labor unions together for mutual assistance, to encourage the sale of union label articles, to secure legislation favorable to the interests of the working people, to influence public opinion in favor of organized labor, to aid and encourage the labor press, and to aid in the formation of local unions. The revenue of the Federation is derived from a per capita assessment upon the members of all affiliated bodies. International and national unions pay one cent per member per month; local trade unions and federal labor unions pay twenty cents per member per month, but one-fourth of this amount must be set aside to be used only in case of a strike or lockout; city central unions and state federations pay ten dollars per year. The executive council of the Federation has the power to levy one cent per member per week on all affiliated unions, for a period of not more than ten weeks for the support of an affiliated national union engaged in a strike. During the period 1881 to 1886 inclusive, the annual income of the Federation varied from $125 to $690. In 1890 it was $23,849; in 1900, $71,126; and in 1909, $232,378. The receipts for 1909 were exceeded only by those of 1903; in the latter year the receipts were $247,803. The expenditures for the year 1909 were $203,702,

of which $41,852 was spent to aid the United Hatters. By 1919, the total yearly expenditures of the American Federation of Labor had increased to $587,518, or the total expenditures were nearly threefold those of 1909.

The aims, ideals, and government of the Federation are almost diametrically opposite to those of the Knights of Labor. The former is a federation of trade unions, although some industrial unions are now included. Theoretically the Federation favors a trade union rather than an industrial union; but in practice its policy has been opportunist. If a strong organization like the United Mine Workers or the Brewery Workers has demanded that it be allowed to organize all workers in the industry, the Federation has yielded to the pressure. The authority of the Federation officials is not great. A highly centralized organization like the Knights of Labor is able to exert political power more effectively than a decentralized federation of trade unions. Until recently the Federation has refrained from partisan political activity; but bitter opposition is forcing it into politics.[1] The American Federation of Labor has made no attempt to organize cooperative establishments. An industrial union or such an organization as the Knights of Labor, including many different kinds of craftsmen, is structurally well qualified to start coöperative enterprises; but a weak federation of trade unions is not.

In principle, the Knights of Labor opposed the use of the strike and favored the resort to arbitration. In 1880 it was officially declared that "strikes are as a rule productive of more injury than benefit to the working people, consequently all attempts to foment strikes will be discouraged." But as the order grew, resorts to strikes became frequent. In that organization, centrally controlled, a strike could be enlarged into a general strike of all of the employees of a given estab-

[1] See Chapter XIX.

lishment. On the other hand, the American Federation has consistently maintained that the strike, the boycott, and the unfair list are legitimate and necessary weapons of organized labor; but being only an advisory body, positive and direct action cannot emanate from it. Strikes may be ordered by one trade against a given employer, and other craftsmen affiliated with the strikers through the Federation may continue to work for the same employer.

Originally, the American Federation was a loose grouping of compact and self-governing national trade unions. The trade or craft, not the industry as a whole, was the significant fact. In recent years, certain pregnant changes have been going on within the Federation. Twentieth century industrial methods are surely and rapidly destroying the importance of the trade or craft in industry. Concentration and integration in the industrial world have been forcing a new policy upon the conservative and reluctant leaders of the Federation. Recent difficulties (1920) with recalcitrant insurgents within different organizations will doubtless lead to more rapid adjustments. The future of the Federation formed as a weapon of the affiliated trade unions, depends upon its ability to adjust itself to a situation which demands the partial erasure of craft demarcations in labor organizations, to a situation which calls for some form of industrial or amalgamated unionism rather than craft unionism.

The United Mine Workers, the Brewery Workers and the International Union of Mill, Mine and Smelter Workers are industrial unions. The organization of departments within the American Federation for the purpose of bringing about harmonious relations between certain allied trades or occupations is symptomatic of change. Certain amalgamations of similar trade groups within the Federation are also indications of new tendencies. The carpenters, for example, are reaching out in an effort to absorb or amalgamate into their

organization all wood workers. More and more interest is being manifested in the unionization of the unskilled and the Negroes. In short, the American Federation of Labor in response to changes in industry, is being gradually modified from a federation of old-line trade unions into a federation of amalgamated and industrial unions. In fact, there must be adjustment or there will be decay and displacement.[1]

The Industrial Workers of the World. This is an ultra-radical labor organization; it represents the American Bolshevist or syndicalist group. Its ambitious aim is to unite all of the workers of the nation into an industrial union committed to bitter opposition to the present industrial and political order. Its problem is to organize "one big union" by means of which the workers may be able simultaneously and repeatedly to cease working in one, several or even all industries. The leaders of this aggressive militant organization declare that unions grouped according to trades cannot cope successfully with large organizations of capital. The American Federation of Labor accepts the present industrial order and is trying to make good wage bargains with employers; the Industrial Workers of the World vehemently demands the abolition of the wage system and the elimination of the employer. This organization was formed in 1905. Soon after its formation, a bitter factional fight occurred. As a consequence, another organization was brought into being. The constitution was changed so as to make it clear that the I.W.W. carried on its struggle against the existing order only on the industrial field; political action was repudiated. In August, 1910, the secretary-treasurer stated that the paid-up membership was 5863. The financial resources were inconsiderable. "Our policy," wrote the secretary, "is not to have any as far as that is concerned, as

[1] See Carlton, "The Changing American Federation of Labor," *The Survey*, November 21, 1914; also, *Organized Labor in American History*, pp. 231–249.

we do not ever intend to have a treasury built up that will be an invitation for the employing class to confiscate." In January, 1917, the paid-up membership was said to have been 60,000; and an aggregate of 300,000 membership cards had been issued since 1905.[1] Its membership is not stable; few of the type of men who are attracted into this organization are able or willing regularly to pay dues. In fact, the strength of the I.W.W. cannot accurately be measured by dues-paying membership or by the resources in its treasury.

The other branch, until recently known as the Detroit branch of the I.W.W., consists of a small group of ultra-radicals very closely connected with the Socialist Labor Party. The members of this organization also believe that "the working class and the employing class have nothing in common"; but they favor the organization of toilers on the political as well as on the industrial field. They fight on both fronts. The Detroit branch does not countenance the use of violence. Its membership is small. At the annual convention of 1913, twelve delegates were present; and, in 1915, seven delegates appeared and also three non-voting officers. At the latter convention, the name of the organization was changed to "The Workers' International Industrial Union."

The Industrial Workers may be compared with the Knights of Labor shorn of their idealism and saturated with class-conscious socialism. The government of this organization is, like that of the Knights of Labor, highly centralized. The government is in the hands of the annual convention and a general executive board, subject, however, to a referendum to the entire membership. The general executive board or the convention may order a strike and the board may call out any other unions if it is deemed advisable. The scheme of organization is similar to the plan of an indus-

[1] Brissenden, *The I.W.W.*, p. 339.

trial establishment. In the case of a large steel plant employing several thousands of workers, an industrial union would be formed in which all the workers of the plant would be gathered. As the plant is divided into departments, the union would be divided into branches. The workers in one department would be gathered into one branch; but the branches are to be strictly subordinate to the union covering the entire establishment. Craft lines are entirely obliterated, and a departmental grouping is adopted. In the sewing-machine industry, for example, the Industrial Workers propose to group all workers in the various factories, — woodworkers, machinists, coremakers, molders, and so on, into one industrial union of sewing-machine workers. Industrial unions in a large number of plants located in a given geographical district may be grouped into a district council. Industrial unions may be also united in departments. The Department of Metal and Machinery Industries would include blast-furnace workers, locomotive builders, agricultural implement makers, and many others. The functions of the district councils and of the departments are administrative; these bodies are distinctly subordinate to the will of the entire membership as expressed through the annual convention and the executive board.

Such are the general outlines of the comprehensive scheme prepared by this embryonic organization. The advocates of industrial unionism point out that this scheme corresponds to the facts of modern industry. Craft unionism was adapted to small scale industry in the days preceding concentration and integration in industry; but is obsolete at the present time. The employing corporation today controls a variety of workers of various crafts, skilled and unskilled. Labor organizations, the argument runs, must likewise include in one compact union all the skilled and unskilled workers employed by that corporation. In the case of a labor dispute,

an industrial union could paralyze a given industry. All workers could be simultaneously called out. The Industrial Workers of the World care little about recognition of the union; they object to signing wage contracts with their employers which will in any way interfere with the sympathetic strike or with the right to strike at an opportune moment; and they emphasize the idea of the solidarity of all wage earners.

American I.W.W-ism, French syndicalism, and Russian Bolshevism have much in common; these three forms of ultra-radicalism represent in essence the same set of theories and activities. The methods employed by revolutionists and the philosophies involved are products of the past experience of the peoples concerned. The peculiar tone and form of ultra-radicalism grow naturally and inevitably out of the nation's past and present. Bolshevism is a form of revolutionary propaganda indigenous to Russia with its dark and repulsive background of absolutism, terrorism, and ignorance. Our much-feared I.W.W-ism is the American counterpart of Russian Bolshevism. The philosophy and the theories of the Industrial Workers of the World vary in certain aspects from the philosophy and theories of Bolshevism; it has been nourished in a very different soil and atmosphere. Again, syndicalism is the corresponding cult evolved under the particular social and industrial environment found in the republic of France.

The Industrial Workers of the World as well as the syndicalists and Bolshevists do not believe in representative government; they hold that "democracy is a social superfluity." The ultra-radicals are not adverse to the use of violence in order to accomplish their ends. According to the syndicalist, progress comes through revolution or catastrophy. Socialists believe in the ballot box and do not

approve of violence except as a last resort. On the other hand, the I. W. W. leaders would "strike at the ballot box with an ax."

It is very difficult for the average American to discuss calmly and fairly the theory of Bolshevism or of I.W.W-ism. And it is still more difficult for the majority of middle-class Americans to understand or even to try to get the point of view of ultra-radicals who scoff at practically everything that the former cherishes. The restless and bitter member of the Industrial Workers of the World is almost the opposite in personal characteristics of the complacent middle-class American; they have little in common. The basic idea in the doctrine of the revolutionary groups we are studying is that of a bitter class struggle. The Bolshevist does not deplore the class struggle. To the syndicalist, the class struggle is a necessary and a creative force. It tends, according to the revolutionist, to solidify and strengthen the masses for the eventual battle which is to overthrow completely the present social order. The Bolshevist feels that in Russia he has accomplished the primary purpose which the revolutionists hold dear. After the social revolution the problem of the syndicalist is that of eliminating all classes except the proletariat. All are to be leveled into one great class, controlled apparently by the Bolshevist or syndicalist leaders, by the revolutionary elect.

These revolutionary movements strike hard at all that the middle-class considers sacred or desirable. The ultra-radical wishes his movement to be purely working class. The cornerstone of society is a productive group — in the estimation of the Bolshevist. In Russia the Bolshevist movement flourishes principally among the industrial workers of the cities. The American Industrial Workers of the World is composed largely of unskilled and migratory, or drifting,

workers. The workshop group is to replace political parties. Patriotism is frowned upon; it is held to be a middle class virtue, and therefore bad. "The workingman's country is where he finds work." Economic interest is the only tie, according to the revolutionists of the type we are studying, which can firmly bind men together. All other ties, such as nationality or race, are illusions fostered by the despised middle class.

Private property rights are sneered at as inventions of the middle class. Vincent St. John, a prominent member of the Industrial Workers of the World, in his testimony before the Federal Commission on Industrial Relations, in essence said: "Why should we hesitate about destroying property? It is not ours. Instead, the employer uses it to our disadvantage whenever he can. Furthermore, he isn't careful about our property, our physical and mental power, the only property we have. He sends us into the mines as children without a semblance of an education, speeds us up, underpays us, wears out our bodies, and then, without a thought for our well-being, throws us on the scrap heap or abandons us to the poor-house when we are no longer useful."

Americans have complacently asserted that the middle class throughout our history has constituted the backbone of American society. The average citizen has felt that the ideals of America are those fostered by the great middle class. The following quotations from one of the *intellectuals* among American revolutionists may come as a distinct shock to some. Certainly here is disclosed a point of view which is very, very different from that so often expressed by well-known Americans living and dead: "The middle class is a natural-born palterer. Fearful of going wrong, it doesn't go. . . . The middle class mind makes for mediocrity. Let this pestilence gain entrance in a nation, it is all up with the people. To

be comfortable becomes for them life's be-all and end-all. . . . They settle into gregarious nonentity — ciphers, blanks, negatives. Trimmers, who run with the hare and hunt with the hounds and are blotted into one mass of indistinction. . . . The middle class is a 'betwixt and betweener.' It is always on the fence. The effect of middle-classism is seen 'in narcotizing the soul and putting heroism to sleep.'" [1] This is not pleasant reading for those of us who claim to be members of the middle class.

The revolutionist believes that his ideal makes a fine appeal to the heroic and altruistic in man. "Man is not so exhausted as to act reasonably." Progress comes in the "clash of irreconcilables." The militant in man is appealed to; compromise is scouted as the policy of the weakling and the mollycoddle. Society is to be altered and regenerated by a fierce struggle. And after the smoke of the social revolution has cleared away, apparently a Utopia of some not well-defined sort is to be anticipated. But Russia is far from being a Utopia under the regime of the Bolshevists. As a consequence of the emphasis upon the militant in life, the class struggle and the general strike are looked upon with favor. Any measure which will stimulate class antipathy, which will aid in giving the workers a vision of working-class solidarity, will help in carrying out the "great and sublime mission of renovating the world." A strike is considered to be a means of harassing the employing class and of giving solidarity to the workers. According to the syndicalist, there should be no careful middle-class-like weighing of the consequence of a strike. It should come as a hot outburst of passion. A strike should spell sacrifice in a common cause, and out of sacrifice grows working-class unity and enthusiasm.

The following statement clearly presents in a few words the

[1] White, *The Carpenter and the Rich Man*, Ch. 8.

theory of the syndicalist: "The syndicalist is to prepare for a new world in which he, the producer, will have the upper hand, and the other class, overcome by means of the general strike, will be forced to capitulate. In that new world there will be no authority either of the State or of masters. All work will be looked upon of one value; property will be abolished; men will be associated in small federated groups." [1] William D. Haywood, the militant American I.W.W.-ist, presents this view of the Industrial Workers of the World: "One great organization — big enough to take in the black man; big enough to obliterate national boundaries, and one which will become the great industrial force of the working class of the world." Society, the old-line trade union, and too often the church, have forgotten the common man, the unblessed, the workers at the bottom of the heap. The I.W.W. appeals to such because of the emphasis upon brotherhood. Its leaders skilfully connect the general strike and industrial chaos "with the overarching thought of a world brotherhood."

What are the kind of people attracted by the I.W.W. propaganda? "The I.W.W. taps labor strata not only lower than those from which Socialism generally gets recruits. It appeals to youth, to the most detached and irresponsible, to those free to follow a life of adventure. It appeals to those who rebel at the discipline of the trade union. It easily becomes a brother to the tramp and the outcast. Every difference which a heterogeneous and unassimilated immigration means for the United States will advantage the I.W.W. Local, legal, and other authorities, during the last two years [1911-1912] in the United States, have done more for the growth of this revolutionary group, shading into anarchy, than it has done for itself." [2]

[1] Lewis, *Syndicalism and the General Strike*, pp. 11–12.

[2] Brooks, *The I.W.W.*, pp. 21–22.

The man unblessed by the ties which normally make up the warp and woof of orderly society is in the proper frame of mind to accept the schemes of prefervid agitators. Schemes which promise an immediate Utopia are especially welcome and alluring. A period of national stress and strain, such as the Great War and the period of readjustment immediately following constitute, contributes to the social and psychological elements making for irritation, discontent, and the resort to violent remedies.

The increase in the number of propertyless and nomadic or drifting workers is adding to the combustible material sought by the revolutionary agitator. The United States cannot continue peaceful and prosperous with a large and increasing number of I.W.W.'s, fanatical and ready for violent opposition to the ideals and institutions of the nation. Bolshevism is a social ill, nourished and spawned in poverty, inequality of opportunity, injustice, and harsh treatment. If it be true that approximately "two-thirds of our people have no capital except the clothes on their backs and a little furniture and personal belongings," we as a nation are face to face with a situation which furnishes grave elements of danger. Such statistics are portents of social danger; they are danger signals which cannot safely be neglected.

It is too much to expect men to act conservatively and according to customary procedure when they have little or no opportunity for the normal expression of human wants and desires. If they are unable to satisfy the instinct for food or for self-asservation, they will inevitably become biased, gnarled, knotted, and perverse individuals. To make them more like the well-to-do conservative, the unblessed must be made well-to-do. The much-abused and much-feared I. W. W. is composed largely of men whose instincts for family life, for the acquisition of property, for contrivance or

workmanship, and for self-assertion have been inhibited. Keen observers have noted the growth of "sullen hostility" toward the employing class on the part of the migratory workers. The great group of migratory, or nomadic, workers have lost the incentives and the point of view which places emphasis upon workmanlike qualities. They are drifting and rootless workers who are hostile to employers, to organized society, and to the ideals which the middle class and the more conservative type of workmen blessed with home ties and a stake in life hold in high esteem.[1]

Women's Trade Unions. Women are admitted to membership in many trade unions affiliated in the American Federation of Labor. In some cases, separate locals are maintained; in others, both men and women belong to the same local. Up to 1920, however, no woman had obtained a place on the Executive Council of the Federation. Women form a large percentage of the membership of unions organized in the garment-making trades, laundry work, the manufacture of hats and caps, the tobacco industry, and bookbinding. In 1903, the National Women's Trade Union League was organized. It now has about a dozen city leagues subordinate to the national body. The League is endorsed by the American Federation of Labor. Its platform is, in brief: "Organization of all workers into trade unions. Equal pay for equal work. An eight-hour day. A minimum wage scale. Full citizenship for women." The national body and the city leagues work in harmony with the American Federation of Labor, to which they are really auxiliaries. The Federation has financially assisted the Women's Trade Union League in its work. The League publishes a magazine and issues

[1] With a few minor changes, the discussion of the theories of The I.W.W. is taken from an article by the writer, entitled "The Theory of Bolshevism" in *The Bay View Magazine*, March, 1920.

other literature. It has conducted a school for the purpose of training women to be organizers and leaders. Trade union men as well as women are connected with the League; and many individuals and organizations not a part of the labor movement are affiliated. The organization of The American Federation of Teachers is another indication of the increasing tendency of women workers to join unions. This organization of teachers, bringing professional men and women into a labor organization, was caused primarily by a movement toward extreme centralization of authority in school matters. The teachers did not desire to be autocratically and arbitrarily controlled by the superintendent of schools. It is now being used as a weapon in the struggle to secure higher salaries.

Employers' Associations. Capitalists combine in a variety of forms, — associations, exchanges, pools, corporations, and trusts. These forms have developed under the pressure of competition and opposition as measures of self-defense. They frequently have become monopolies inimical to the general public. These various associations of capitalists use methods similar to those used by labor organizations in admitting and rejecting members. Each boycotts, uses spies or pickets, strives to regulate output, and to fix minimum wages or prices. The so-called employers' association is merely one form of organization of capitalists or employers. The pool, association, or trust is formed to deal with all sorts of technical and financial matters, — buying, producing, and marketing. The employers' association is a combination of business establishments for the express purpose of dealing with or fighting labor organizations. It is merely a special form of capitalistic organization. Local and national employers' associations have appeared simultaneously with local and national organizations of wage earners.

United and concerted efforts on the part of wage workers lead to the unification of the employers and *vice versa*. During the trade union activity of the thirties and of the sixties, small and ephemeral employers' associations appeared to oppose the labor organizations. Like the labor unions of those decades, the associations of employers were usually local and not controlled by a strong central authority. They were organized only when labor was temporarily well organized and aggressive. With the weakening of the union's strength, the bonds which held the competing employers together were broken. Strong and permanent employers' associations come into being contemporaneously with national and permanent labor organizations. Indeed, an extensive system of collective bargaining or of trade agreements presupposes the existence of an organization of both employers and employees.

Employers' associations are of two rather distinct types. One class is organized in order to bargain successfully with the organizations of their employers. This style of association recognizes labor organizations to be legitimate and seeks to work more or less in harmony with them. The second class is bitterly antagonistic to labor organizations. Although usually declaring that they are favorable to "legitimate" labor organizations, the members of the second class of employers' associations are actually opposed to the practices which the average unionist holds essential to the success of organized labor. They favor unions of the weak type which do not strenuously strive to shorten the working day or to raise wages, that is, they favor a union which does not interfere with large profits and which teaches contentment with existing conditions. The first type aims to check the abuses and excesses of organized labor; the second is hostile to the fundamental principles of unionism and wishes to extirpate

or emasculate unionism. The trust or large corporation does not need to enter an employers' association; it is itself virtually such an association. Our great railway systems may be placed in the first class of associations. The United Steel Corporation must be placed with the "union smashing" associations.

As long as wages and conditions of labor are fixed by means of a bargain between the employers and their employees, a strong union should be balanced by a strong employers' association. A strong organization of either employers or employees, if unchecked by an opposing organization, will inevitably make unreasonable and excessive demands. Opposition purifies a political party, and it improves the character of an association of employers or of wage workers. Since the first class of associations is formed to treat with labor organizations and to check the arrogance of unopposed trade unionism, its members consider the employment of labor to be a simple business proposition. The first important national association of employers was the United States Potters' Association, formed in 1875. The Stove Founders' National Defence Association was organized in 1886. The success of this association in making formal wage contracts with the employees engaged in the stove industry[1] stimulated the formation of other comprehensive associations of employers. The National Founders' Association was formed in 1898, the Dock Managers' Association in the same year, and the National Metal Trades' Association in 1899. This class of organization was perhaps most prominent in the middle of the first decade of this century. In 1905, "in the seven great industries of stove and furnace manufacturing, metal foundry work, lake transportation, machine construction, publishing and printing, marble cutting, and ready-made clothing manu-

[1] See Chapter X.

facturing, strong national associations "treated with similarly organized unions of employees, and drew up contracts relative to the condition of labor in the respective industries." [1] In addition, many localized associations exist, such as the association of coal operators which treats with the United Mine Workers, and the various employers' associations in the building trades. From about 1909 to 1917, the progress of collective bargaining on a large scale met serious obstacles.

Associations of this class are federated organizations not dissimilar in type to those of labor organizations. "Almost every important feature of trade-union organization finds its counterpart in the employers' organizations." Each has a defense fund; each controls more or less rigidly its members; each employs business agents called walking delegates or commissioners; each is organized along trade lines into local and national bodies; and in each the individual on becoming a member must surrender in a large measure his right to determine the conditions under which his work as employer or employee will be performed.[2] It has been pointed out that two large opposing associations, controlling an entire industry, might unite, raise prices, and divide the plunder between themselves; but the usual effect is to transfer competition from price-cutting and wage-slashing to competition in regard to the quality of the product.[3]

The class of organizations hostile to organized labor is represented by such national bodies as the National Association of Manufacturers, the National Council for Industrial Defense, and the American Anti-Boycott Association, now called the League for Industrial Rights; it is also represented

[1] Willoughby, *Quarterly Journal of Economics*. Vol. 20: 115–116.

[2] Willoughby, *ibid.*, pp. 143–150.

[3] Contrast Baker, "Capital and Labor Hunt Together," in *McClure's Magazine* for September, 1903, with the section on Trade Agreements in Chapter X.

by city associations of employers or "citizens' alliances." These anti-union combinations of employers have conducted a bitter fight against the sort of labor organization which has teeth; they do not merely oppose the revolutionary unions such as the Industrial Workers of the World, but they are antagonistic to the American Federation type of union. "The strike, boycott and the picket were to be met by the lockout, the blacklist, the employment bureau with registration of laborers, 'fake' unions, strike funds, professional strikebreakers, and spies."[1] The National Association of Manufacturers was organized in 1895 for the chief purpose of building up export trade in manufactured goods. A few years later it became aggressive in its opposition to organized labor. The National Council for Industrial Defense was organized in 1907. Its important function seems to have been the defeat of legislative measures proposed by labor. The lobbying tactics of the National Association of Manufacturers were disclosed in 1913 by M. M. Mulhall, a discharged employee of the Association. The pronunciamentos of the leaders of these three anti-union associations are not new; they only reëcho those of employers' associations of past decades. For example, in 1864 the Iron Founders' Association of Chicago and vicinity declared in a circular: "But when employees seek to enter the sphere of employers and to dictate to them in the management of their business, it becomes not only the *right*, but the *duty* of employers to check and suppress such movements by any lawful means." The present leaders tell us that unions are a menace to institutions when they insist upon the closed shop, or use the "un-American" boycott and that organized labor is trampling "in the dust the natural and constitutional rights of our citizens."

[1] Wright, *Quarterly Journal of Economics*. Vol. 29: 236.

Two other associations of employers may be briefly considered. The National Industrial Conference Board was organized in 1916. This is a powerful federation of employers' associations. It must probably be classed as hostile to labor organizations. The industrial bodies which originally affiliated to form the Board were: — the National Association of Manufacturers, the National Council for Industrial Defense, the National Erectors' Association, the National Association of Cotton Manufacturers, the National Association of Wool Manufacturers, the Silk Association of America, the United Typothetæ and Franklin Clubs of America, the American Paper and Pulp Association, and the Rubber Club of America. In 1919, the Board was composed of twenty-one organizations of manufacturers, — representing employers of approximately 7,000,000 wage workers. According to its friends, this Board was organized "to foster harmonious relationship between employer and employees and between both and the Government," for lobbying purposes, as a clearing house for information, and as a forum for the discussion of trade topics.[1]

The National Civic Federation is an important private association devoted to the promotion of industrial peace. The Civic Federation was formed in January, 1901. The late Senator M. A. Hanna was an influential member. The avowed object of the Federation is to develop coöperation between the employers, the employed, and the general public. These three classes are represented on the executive committee of the organization. The employers on the executive committee are men connected with some of the large and powerful industries of the country. The following statement of its aims discloses the ideals of the leaders of this organization. The National Civic Federation "would show that the twin

[1] Pope, *American Industries*, December, 1916, p. 11.

foes of industrial peace are the anti-union employers and the socialists, and that the former are unconsciously promoting that class hatred which the latter boldly advocates. It would present a hopeful picture of future harmony between labor and capital, based upon the establishment of their rightful relations, instead of the pessimistic prophecy of the degradation of labor because of its exceptional and inexcusable errors or crimes, or of a social revolution provoked by capital when organized for oppression." [1] The Civic Federation apparently looks forward to a time when labor and capital shall work together in harmony and peace. The official organ of the Federation is the *National Civic Federation Review*.

The increasing opposition to labor organizations manifested in recent years and the development of hostile employers' associations have led to the formation of businesses devoted to strike breaking. It is difficult to ascertain the extent of this anti-union industry; but certainly establishments exist that stand ready to furnish strike breakers and union spies. One company advertised in a circular sent out a few years ago that "this company makes a specialty of furnishing union and non-union men and women of all trades for secret service work." It offered to place men in a plant for $150 to $175 per month minus the ordinary wages to be paid to the men on the regular pay days. According to this circular, men of good standing in trade-union circles could be furnished. Reports are to be regularly made in regard to disaffection in a plant and the activities of union men. In this way, "disturbers of the peace are located"; and presently they may be quietly discharged. Another company offered to furnish experienced guards, to provide non-union workmen, to provide cooks, waiters, and managers for temporary boarding houses inside of plants furnished with strike breakers.

[1] Bliss, *New Encyclopedia of Social Reform*.

This crude and coercive method of fighting unions is by no means the only way in which excessive union activity and the growth of labor solidarity may be checked. Until recent decades cheap land and the ever-present possibility or probability that the employee might become a small employer, were effective means of alienating the ambitious and the forceful workers from enthusiastic and continuous adherence to the policies of trade unionism. With the disappearance of the frontier and with the concentration of wealth and of the control of business affairs into the hands of a comparatively small number of persons, and with the increasing prevalence of routine and regularity in industry, not only were the traditional outlets for the ambitious wage earners closed, but many who under a more crude economy would have been small business men are now in ranks of wage earners. Sagacious captains of industry, not however of the type found in the union-smashing employers' associations, soon recognized that a substitute outlet must be provided, or they would soon be forced to confront strong unions managed by talented, devoted, and class-conscious leaders. Professor Commons insists that promotion and political preferment are the important outlets for the ambitious and the radical; these are the effective solvents of class solidarity among the workers. The man who is being gradually promoted, or who sees dangling before his eyes a political job, is furnished with a potent incentive for conservatism. "Thus it is that a wise system of promotion becomes another branch of industrial psychology. If scientifically managed, as is done by the great corporations, it produces a steady evaporation of class feeling. I have often come upon fiery socialists and ardent trade unionists thus vaporized and transformed by this elevating process."[1]

[1] Commons, *American Journal of Sociology.* Vol. 13: 761.

In 1920, it seemed clear to students of the labor situation that the program of the union smashing associations was a failure. Two sets of fighting and bitterly hostile organizations cannot bring industrial peace or industrial efficiency. The employer or association of employers, willing to make an honest attempt to work with groups of employees bound together in unions or in virile shop committees, is following a constructive policy. Efficiency, goodwill and mutual respect cannot be obtained by repressive measures, by injunctions, or by autocratic control.[1]

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CHAPTER VI

GOVERNMENT AND POLICIES OF LABOR ORGANIZATIONS

Classification of Labor Organizations. Organizations of wage earners may be technically classified as labor unions, trade unions, and industrial unions. The significance of the labor union is chiefly historical. Into the labor union all classes of wage earners were gathered; and employers and professional men were often admitted. The labor union was idealistic or humanitarian in its aims. The strike and the boycott were rarely used; but reliance was placed upon land reform, education, coöperation, the direction of public opinion, and political activity. The leaders of the labor union were wont to make much of the point that the interests of labor and capital were fundamentally harmonious; and that betterment came through the united efforts of all classes. The labor congresses and associations of the forties are excellent examples of this type of labor organization. The Knights of Labor might also be classified as a labor union. The existence of this form of organization indicates a lack of class consciousness and an absence of any clear idea of the solidarity of the working class or of any section of it. The trade union is an organization among the wage earners of a given trade. The trade union demands the system of collective bargaining, and has a concept of a "fair wage." It is essentially a business organization formed to make the best possible bargain with employers for the commodity — labor power — which it offers for sale. Each group or trade bargains independently of other groups or trades. The trade union stands for group action rather than for united action on the part of all wage earners

irrespective of occupational lines. It accepts the strike and the boycott as valuable weapons; and it usually considers political activity to be of doubtful value. The United Brotherhood of Carpenters and Joiners and the International Typographical Union are examples of trade unions.

The most recent type of labor organization is the industrial union. It cuts across craft lines and aims to unite all the workers in one industry into a coherent and centrally controlled organization. In this kind of organization, the friction due to overlapping craft jurisdictions is in a large measure obviated. When an industrial union orders a strike all the workers in a given establishment strike at once and share in the expenses and in the benefits. The United Mine Workers' Union and the International Union of Brewery Workers are examples of industrial unions. These organizations wish to unite all the crafts working in the mines or for a brewing company into one organization. The skilled and the unskilled are knit together. The advocates of industrial unionism urge that it is more important to unite all in a given industrial group than to unite all in a given trade but scattered far and wide throughout the nation. The most radical form of industrial unionism, such as the Industrial Workers of the World represents, declares that labor and capital have no interests in common. The advocates of industrial unionism assert that concentration and integration of industry have made trade or craft unionism obsolete.

The older form of "labor unions" was too broad in its scope. It laid too much stress upon the humanitarian aspect of labor problems; it was too altruistic and visionary, and not sufficiently practical. A successful and permanent labor movement must be nourished on the immediate, the practical, and the tangible, — that is, on the hope of higher wages, shorter working days, better shop conditions, and better homes, rather than upon high ideals of the brotherhood of

man and the greatest good to the greatest number. In the long run, altruism, without a generous admixture of egoism, does not provide a practical foundation for a labor organization or for an employees' association. On the other hand, the growth in the number of the unskilled and the increased use of subdivision of labor has forced the trade unionists in some industries to unite with the unskilled and to aid the unskilled in fighting his battles. The skilled man fears the encroachment of the cheap and unorganized workers. He believes in organization and higher wages for the unskilled because he in turn will be benefited. Even the trade union is becoming the union of the unskilled and semi-skilled as well as of the skilled. The egoism of the skilled man is assuming the garb of altruism; aid rendered the unskilled in the end often benefits the skilled.

Labor organizations may also be classified according to functions. The late Professor Hoxie distinguished three main forms: — business, uplift and revolutionary unionism.[1] The trade unions affiliated in the American Federation of Labor are business unions. The members of business unions are "trade-conscious"; they emphasize wage bargaining and immediate results. The business unionist is conservative. Uplift unionism is an idealistic type of organization; it is likely to stress mutual insurance and coöperation. The Knights of Labor was theoretically of this type. Revolutionary unionism represents an extreme type of class-conscious organization. The Industrial Workers of the World is a revolutionary union. A fourth type may be termed predatory unionism. It is business unionism gone wrong. The predatory union is corrupt and boss-ridden; in some forms it may resort to terrorism as did the Bridge and Structural Iron Workers.

Organized labor is a social phenomenon; it is a form of in-

[1] *Journal of Political Economy.* Vol. 22, pp. 212 ff.

stitution. The form, methods, ideals, and immediate purposes of labor organizations may be studied in the same manner as political parties or fraternal organizations may be analyzed. A union consciously or unconsciously adopts a certain peculiar form or structure in order to aid it in accomplishing certain aims. No institution would come into being were it not intended, deliberately or fortuitously, to affect certain changes in the course of human affairs. And no form of organized labor would exist unless wageworkers hoped to obtain through its agency some improvement in living and working conditions. These statements are certainly little short of axiomatic. In short, both the structure and functions of a labor organization or of any other institution are the visible and tangible results of underlying forces and causes which spring out of the physical and social environment. The analysis of a labor organization is a study in social mechanics. To classify labor organizations according to structure or according to functions may be desirable; but the classifier should remember that he is only dealing with outward manifestations and results, not with causes and fundamental motives.

The union — a social structure or organization — is a grouping of wageworkers for the purpose of accomplishing certain results. The union is a tool; a means to an end. Writers upon the subject of labor and labor organizations have not held that the form of organization was fundamental. Nor have they held that all labor organizations were alike or even similar in ideals and plans. Indeed, quite the contrary is true. Students of government realize that the term — "a democratic government," for example — must be translated differently in Haiti than in the United States. Nevertheless, classification of governments into republics, constitutional monarchies, and so on, is of value to students of political science. It is doubtless true in a broad way that

democratic forms of government are the products of the change known as the industrial revolution. But the existence of danger from outside foes may retard progress toward a democracy, as witness Germany. Or tradition may keep the shell of a government for a long time after its reality has been sloughed off, as is the case in England. In like manner, opposition from without, tradition, or the pressure of leaders, may greatly modify the course taken in evolving the structure and functions of a labor organization.

In the great majority of cases, a given structure or form of a government or of a labor organization more truly represents a past than a present balance of forces; but it is also a factor in determining the present-time attitude of those adhering to the government or labor organization in question. After an institution has been developed and has crystallized into certain forms, this somewhat inelastic structure usually serves as a modifying and conserving force or influence. Group and institutional inertia must be reckoned with in any study of social and institutional forms. American legal and constitutional forms have greatly modified the course of events in American national life. The existence of social customs and habits also tends to prevent rapid changes in ideals. The psychology of the American has undoubtedly lagged behind the unusually rapid changes which have taken place in industry during recent generations. The American workingman has been too individualistic to cope effectively with the great and steadily growing combinations of capital; to many of them yet clings the restless and impatient vitality and self-assurance of the frontier. The effect of social inertia is also plainly visible in the ideals, the concepts and the psychology of the unionist. The psychology of the average unionist is still measurably affected and modified by ideals and concepts crystallized during the outgrown era of small-scale, non-integrated industry. Again, overworked and un-

dertrained workers will have a narrower vision than more efficient and better trained workers. A union composed of the former will be more erratic and less calculating than one composed of the latter type of unionists.

Both the specific structural and the specific functional forms of labor organizations are very diverse. No two types of workers have been subjected to exactly the same economic pressure, the relations between workers and their employers vary greatly in different lines of business, the possibility or displacement by other workers or by machines likewise varies from trade to trade and from occupation to occupation, and price levels and standards of living are subject to rapid modifications. This complex situation is further complicated by the institutional lag exhibited by organizations of labor. And the influence, conservative or radical, of the capable and aggressive leader, must not be neglected. Samuel Gompers, for example, is a factor which cannot safely be overlooked in any careful consideration of the evolution of the American Federation of Labor. The autocratic and imperious leader has played an important rôle in labor organizations as well as in the affairs of nations. The appeal to the passions and emotions figures in union matters as well as in party politics.

The trade union is the fundamental and most natural grouping of workers for betterment. In the trade union are united workers engaged in similar work and interested in similar matters. Carpenters have more in common with other carpenters than with boilermakers or molders. But as the machine process undermines trade after trade and tends to reduce all workers to a common denominator, trade or craft becomes of less and less importance. And as carpenters, molders and boilermakers become united as employees of the same corporation, trade lines yield to the unity of interests of employees of one big business organization. As a consequence, organization by industry begins to replace

organization by trade. The structure changes and the specific function of the organization may undergo modification; but the fundamental purposes of organization do not undergo great transformations.

It may therefore safely be asserted that the prime factors in a study of labor organizations, are not: Is the union a trade or an industrial union? Or, is its purpose business or revolutionary? The important questions are: Why has it adopted the ideals, form and methods which are now associated with the organization? And, what are the internal and external, present and past, forces which determine its path today? Any classification whether structural or functional is only of value in making clear the factors in the labor problem. A study of social forces is essential in any investigation of labor organizations.

Government and Structure. The methods and governmental policies of the trade unions have been developed to meet the exigencies of an opportunist program. Immediate results, results here and now, and results which benefit the little group directly concerned, are desired rather than indefinite, postponed, and generally-participated-in benefits. The average trade unionist may have high ideals as to the betterment of the wage-earning class as a unit; but the immediate bread-and-butter logic turns the balance when a concrete situation which demands immediate action confronts him. The successful labor leader is the exponent of "business unionism"; he is the man who gets higher wages, a shorter working day, and the like for his group of followers even though the price of success must be paid by other unionists as consumers of the products made by the members of the first group. A new unionism which actually as well as theoretically emphasizes the solidarity of labor and which looks to the more distant as well as to the immediate effects of a policy, may be coming above the horizon; but the structure of the unions of today

and the way in which they function are the products of the efforts of selfish groups that do not look far into the future. The predominant form of labor organization is still trade or craft unionism; but, in the future, industrial unionism must be reckoned with.

Political government in America has progressed from the local and decentralized control of colonial times through a period of control by a weak confederation, to a form of federal government in which the central government is growing more powerful absolutely and relatively. Originally the federal government was created by the states, but today the majority of the states of the Union owe their existence to direct federal action. A striking and significant parallel can be drawn between the evolution of government in the American nation and the evolution of control in the strong American labor organizations of today. In the government of labor organizations, the original governmental unit was the autonomous local union or society. The locals were and are extremely democratic; the town meeting form of government works well since all members of the locals are approximately on a plane of equality in regard to education, income, and social position. The regular meetings of the locals are held frequently, and special meetings may readily be called if any question of unusual importance arises. The officers are, as a rule, selected for short terms, and rotation in office is not uncommon. The only office in connection with a local union which requires special skill is that of the business agent or the walking delegate; and this office exists in only a comparatively small number of locals. This officer is most frequently found in the building trades. The business agent is the representative of the union in dealing with employers in regard to wages, the redress of grievances, and the enforcement of union rules.

The history of the evolution of governmental power in trade unions has been that of the growth of a national organi-

zation representing centralized power. Originally the locals were knit together into loose federations. Annual conventions were held to which delegates from the federated locals were sent. These conventions chose the national officers to serve for the ensuing year. At first the delegate convention was chiefly for the purpose of discussion and to bring about unanimity of action among the workers in a given trade. In the early stages of growth, the national officers were given little power; and the funds placed at the disposal of the national bodies were small in amount. The locals were extremely jealous of their prerogatives. But out of these loose federations of locals, proud of their autonomy, have gradually emerged powerful national bodies with considerable incomes at their disposal; and their strength is still increasing. The delegate convention is no longer an impotent advisory body; it has become in many national organizations a true legislative body. In turn, the national bodies have become propagandists and have instituted new locals under their jurisdiction, and the new locals are more readily controlled than were the older ones. However, the increase in the power and dignity of the national organizations has not come without encountering friction and determined opposition. The states' rights doctrine, so famous in American history, has its counterpart in the evolution of trade-union government.

But the growing intricacy of industrial affairs, the enlargement of the competitive area, the increasing mobility of labor, a recognition of the peculiar efficiency of united and simultaneous action on the part of large numbers, the gradual centralization of business management, and the increasing importance to labor interests of financial resources, have forced the reluctant locals to recognize the necessity of subordination to a central governmental body. This movement toward unification has gone further in some unions than in

others; and consequently there is only a small measure of uniformity as to the details of union structure. Practically all national labor organizations at the present time exercise legislative, executive, and judicial functions in regard to many matters which affect the subordinate locals. Usually, however, important matters are subject to a referendum to the entire membership or to the portion of the membership directly concerned with the proposed legislation or policy. The annual convention composed of delegates from locals is the legislature or congress of the national body; the president and an executive council exercise executive powers; and the judicial function is placed in the hands of the president or some other executive officer, usually with the right of appeal to the council or to the annual convention in case a local or some group of members is dissatisfied with the settlement of some disputed question or with the interpretation of some rule or regulation. The militant activities in connection with strikes, boycotts, and the like, of the larger and more responsible unions at least, are directed by the national officers.

The differentiation in the structure and government of unions is the result of a multitude of interacting and often conflicting forces, — such as the progress toward integration in industry, opposition on the part of employers, the menace of child, woman, and immigrant labor, the payment of union benefits, etc. A brief study of nine national unions is presented in order to illustrate in a concrete manner the course of progress toward centralization in the government of labor organizations; and it is also presented because by this method the reasons for the appearance of certain peculiarities in the structure and government of such bodies may be partially disclosed.

The International Typographical Union affords a fairly clear picture of progress from a decentralized to a strongly

centralized form of government. The earliest form of union organization among the printers was purely local. The "chapel" was an organization of printers working in one shop or office. The chapel assemblies were mass meetings. In the early part of the nineteenth century, associations began to be formed among the printers working in a city. These were organized at first for beneficiary purposes, and later in order to establish and maintain a uniform wage scale and similar working conditions throughout an entire city. The chapels were generally subordinated to these local unions. The ultimate control of the local unions was vested in a monthly meeting to which all members are admitted. In 1851 a permanent national organization was formed. The central body was at that time given little authority over the subordinate bodies. The government was decentralized; it was that of a confederation. The members of the national body were representatives elected by the locals. Up to 1869 each local was equally represented irrespective of the number belonging to it. After 1869 numerical representation was adopted in the face of the opposition of the small locals. The early officers had few executive duties to perform, and were chosen at the annual convention which was composed of the delegates from the locals. They were elected for a term of one year and were rarely reëlected. In thirty-five years the national body had twenty-eight presidents. After 1884 the power of the central administrative organization was strengthened. Since 1889 all proposed amendments to the constitution and all laws involving increased taxation must be submitted to a referendum vote of all the members of the local unions. In 1896 all members of the locals were made eligible to hold office in the national organization; and the power of election was taken from the convention and given to the membership at large. The establishment of the printers' home, the provisions for death and strike benefits, and

the power to supervise collective bargaining have greatly increased the dignity and authority of the central government of the Typographical Union. Within three-score years, the national organization of this group of skilled workers has evolved into a powerful body exercising a large measure of authority over the locals and capable of conducting successfully a bitterly contested strike. No strike is "legal" unless sanctioned by the officers of the national body.[1]

In the Cigar Makers' International Union, the process of nationalizing functions has proceeded steadily; year after year the national body has taken under its control matters which had hitherto been left to the action of the local bodies. Supervisory power is centralized in the hands of the President. The inauguration of an extensive system of benefits for members sick, disabled, or out of work was one of the potent means of enabling the national body to strengthen its grip upon recalcitrant locals. The funds are not placed in the treasury of the International, but are scattered among the several locals. The accounts of each local are carefully supervised by the "financier" of the organization. "The financier goes from local to local, generally arriving unexpectedly and without warning. The accounts of the financial secretary are subject to a vigorous examination, and the system of administering the benefits carefully reviewed." The use of the union label has also been a factor in causing this important modification of structure. The first fine authorized by the constitution of the Cigar Makers' Union was for nonenforcement of the rules governing the use of the label. Legislation by convention has been displaced by direct legislation through the initiative and referendum. This democratic method of legislating is less expensive than the convention

[1] Free use has been made of the chapter on "The Government of the Typographical Union," in Hollander and Barnett's *Studies in American Trade Unionism.*

system. The election of officers by popular vote, however, involves considerable expense.[1]

In order to study the structure of government required to carry out the policies of a national union containing skilled and unskilled men of a variety of nationalities, religious beliefs and political affiliations, and bargaining with powerful groups of employers, perhaps no better example can be chosen than the United Mine Workers of America. This organization is composed of national, district, sub-district, and local units. These units resemble the political divisions, — nation, state, county, and township, municipality or ward. All questions of importance are ultimately referred to the locals. The collective membership nominates and elects by a direct vote the three leading national officers, — the president, the vice-president, and the secretary-treasurer. Members of the executive board are chosen indirectly by the membership. The delegates to the national convention are chosen and instructed by the locals. The national convention holds an annual meeting. This convention of delegates from the locals has power to change the constitution or to inaugurate new policies. While the convention is not in session final authority is practically centered in the president. An amendment adopted in 1911 provides that strikes cannot be ordered or called off by the district, or international officers, without a favorable referendum vote of miners concerned. "The United Mine Workers of America is one of the most democratic organizations in the world, but has the possibility of becoming all at once the most autocratic." This paradoxical situation grows out of the necessity of preparation for strikes. To successfully carry on a war or a strike, the executive must be given extraordinary power. Government by discussion or by referendum weakens a nation facing a military crisis, or a labor union engaged in a bitter industrial conflict. Like the

[1] Hollander and Barnett, *Studies in American Trade Unionism*. Chapter 3.

British constitution, the constitutional provisions governing the Mine Workers have been developed step by step. They are adapted to the peculiar conditions of the mining industry. The finances of the national body are raised by a per capita tax upon the members of the locals. Additional assessments may be levied by the executive committee. In 1902, the year in which the famous anthracite coal strike occurred, the total income of the United Mine Workers was $3,010,877.32. The annual joint conference between the representatives of this union and those of the mine operators, for the purpose of bargaining as to the wage contract for the ensuing year, is perhaps the greatest labor market in the world. "Trade unionism under the stimulus of the United Mine Workers of America has come to be a business operation on a large scale."[1]

The Brotherhood of Locomotive Engineers is regarded as one of the most conservative of American labor organizations. It is, of course, composed of highly skilled and relatively well paid wage earners employed by quasi-public corporations. The safety of many persons and of much property depends upon the skill and efficiency of the locomotive engineer. These conditions lead the engineers, the railway managers, and the general public to demand a long period of apprenticeship. The locomotive engineers do not ask for closed shop agreements, and the railways have adopted definite and standardized scales of wages. The engineers emphasize the importance of collective bargaining; and they stand ready to discipline members who violate the wage contract. Until recently arbitration in labor disputes was favored. Mr. P. M. Arthur, for many years the head of the organization, voiced the sentiment of this body of conservative wage earners as follows: "Argument . . . rather than strikes, were at

[1] Warne, "The Miners' Union: Its Business Management," *Annals of the American Academy of Political and Social Science*. Vol. 25. Reprinted in Commons, *Trade Unionism and Labor Problems*.

first, always have been, and are now the means on which the brotherhood has relied to maintain the justice of its requests at the hands of the railway company." The locomotive engineers engaged in an occupation in which the use of the "green hand" or the unskilled man would lead to the destruction of valuable property and to great loss of life and in which the cessation of operation is particularly disastrous to the business interests and to the general welfare of the community, occupy a peculiarly strategic position. They are effectively shielded from many of the economic dangers which confront wage earners in other industries. For example, the menace of the unskilled, of the immigrant, of child labor, or of displacement by machinery is practically unknown to the locomotive engineer. The Brotherhood has never affiliated with the American Federation of Labor. The railway brotherhoods represent the aristocracy of the labor world, and their members are little troubled by the trials and difficulties of other classes of wage earners. Union trainmen, for example, do not strike to aid striking machinists employed by the railway.

Professional men and the general public frequently come closely in touch with the building trades. It has been said that public opinion as to labor organizations is formed by experience with the building trades. As a matter of fact, these trades constitute rather exceptional forms of trade unionism. The building trades are skilled trades, performing work which must be done in a particular place. A building cannot be built, — bricks laid, wood and iron strips placed in position, plastering spread, and painting done — in New York for a building to be used in Chicago. The finished product cannot be transported from one city to another. This fact localizes, in a large measure, the interests of the members of a building trade. The trades keep their trade autonomy, but since many trades are engaged upon one building, their

interests are interrelated. The building trades in a given city are affiliated together in a Building Trades' Council. This constitutes a sort of confederated system of government. Their common interests also find concrete expression in the frequent resort to the sympathetic strike. Trade agreements with employers usually include a clause permitting the sympathetic strike. This insistence upon the sympathetic strike marks an approach toward the policies of industrial unionism. The use of the sympathetic strike does not, however, reach beyond the building trades.

A peculiar feature of the building trades is the great amount of authority which is placed in the hands of the business agents. They are autocrats, and have the power to order a strike when they consider that conditions demand a cessation of work. The reason for this unique situation is quite clear. A contract for the erection of a building is usually given to one contractor who sub-lets to many other contractors. As a sub-contractor may work upon a given building for only a few days, prompt action is necessary in case of a labor dispute. In order to interest the general contractor, the resort to the sympathetic strike which ties up the entire job is necessary. "It is a significant fact that the only union of the building trades which does not permit the sympathetic strike is that of the bricklayers, who are employed by the general contractor, while the unions employed by the sub-contractors hold that the sympathetic strike is necessary."[1] This is a fine illustration of the manner in which economic conditions and selfish interests fashion the form of government and the policies of trade unions. The building trades insist upon rigid apprenticeship rules, the closed shop agreement, and upon the sympathetic strike. Because the work

[1] Commons, *Trade Unionism and Labor Problems*, p. 67. For many of the facts in regard to the building trades, the writer is indebted to Professor Commons.

must be done on the spot, and because much of it is skilled work, the building trades occupy a strategic position and have been able successfully to demand high wages and a short working day.

The trade of a journeyman barber approximates a profession; and the employee comes into close personal touch with his employer. The International Union was organized in 1887. Employing barbers who work at the trade are excluded from membership. Each local determines its own rules in regard to wages, hours, and prices. As the journeyman usually receives, in addition to a fixed wage, a percentage of the receipts from his labor, he is interested in the prices charged for his services. The union of employees, rather than the employing barbers, fixes prices. When wages are increased, prices may be raised and the increase passed on to the patrons. In Toledo, some years ago, when wages and prices were thus raised together, the journeymen refused to allow any union shop to charge less than the regular scale of prices, notwithstanding the fact that some employing barbers were willing to pay the union wage without increasing the price of a shave. Employing barbers are not, as a rule, antagonistic to the union. In Jackson, Michigan, several years ago, the local disbanded. Not long after this event, the employing barbers urged its reorganization, and even offered to pay a man to act as an organizer. Union barbers may work in open shops, providing hours, wages, and prices are as good or better than in the union shops.

The United Brewery Workers are organized along industrial rather than trade lines. Several bitter jurisdictional struggles have taken place between the brewery workers and various craft unions, such as the teamsters, coopers, engineers, and painters. The 1900 convention of the American Federation finally declared that it seemed best to allow the Brewery Workmen to have jurisdiction over all brewery workers irre-

spective of their particular trade. Nevertheless, difficulties continued to arise, and in 1907 the charter of the Brewery Workers was revoked. A year later, however, it was restored. The brewery workers assert that the control of all workers employed by the breweries is essential to the strength and permanence of their order; while, on the other hand, the various trade unions are anxious to increase their membership. The difficulties which have arisen are due to the essential antagonism between the industrial and the trade form of organization. The two forms cannot live peaceably side by side, except in the face of a common danger.

Perhaps the most unique American labor organization is the Western Federation of Miners. This organization is composed chiefly of hardy, reckless, daring frontiersmen working in the metal mines west of the Mississippi River. The foreigners in this union constitute but a small fraction of the total. This organization, composed of men naturally of the individualistic type, has developed class-consciousness to a degree rarely surpassed. These reckless miners have been confronted by a quickly developed and aggressive class of wealthy mine owners. Control of the mines was suddenly centralized; individual bargaining became futile; the separate and disunited units of labor were sweated. The miners felt themselves to be in the grip of a new and strong industrial system. Suddenly extreme individualism was found wanting. The pendulum suddenly swung to the other extreme. Under pressure, the miners knit together into an industrial class-conscious and avowedly socialistic union; and, remember, these miners were individualistic American frontiersmen. The Western Federation of Miners has consistently stood for the open shop, industrial unionism, the method of the general strike, and no labor contracts. Its constitution forbids all agreements with employers except in regard to a scale of wages. It has opposed the establishment of an apprentice-

ship system, restriction of output, and jurisdictional quarrels. This union preaches the doctrine of a united working class. In spite of its crudeness and lawlessness, it is tinctured with a high type of idealism; and one popular writer asserts that it has contributed to the history of western mining "its one flash of social thought, its one deviation from a purely materialistic line of progress." [1] In 1911, the Western Federation affiliated with the American Federation of Labor. The organization became less radical and adopted the bargaining policies of the United Mine Workers. In 1916, its name was changed to the International Union of Mill, Mine and Smelter Workers.

The Amalgamated Clothing Workers of America seceded from the United Garment Workers in 1914. This organization is not affiliated with the American Federation of Labor. It is the dominant union in the men's and boy's clothing industry in the United States. Its membership in 1920 was approximately 200,000. The Amalgamated Clothing Workers accepts the principle of industrial unionism; the preamble of its constitution is clearly socialistic. One clause in the preamble reads as follows: — "The working class must accept the principles of Industrial Unionism or it is doomed to impotence." This radical union, however, has trade agreements with the most important clothing manufacturers of this country. The organization is (1920) planning to build an "Amalgamated Temple" in New York City to cost $600,000. This temple is intended to be a community center for the army of workers in the men's clothing industry in New York City. The Amalgamated emphasizes the importance of education for the worker; and it opposes restriction of output and sabotage. "We stand for production."

[1] Hard, "The Western Federation of Miners," *The Outlook*. Vol. 83: 133. See also, Rastall, "The Labor History of the Cripple Creek District." *Bulletin of the University of Wisconsin*, 1908.

The growing strength of national and international unions, requiring for successful guidance a high type of expert leadership, had brought able men to the front in our important labor organizations. Greater permanence in office and larger salaries have accompanied increased responsibilities. Samuel Gompers has been president of the American Federation of Labor since 1884 with the exception of one year — 1894. Adolph Strasser was president of the Cigar Makers' Union from 1877 to 1891, at which time he refused a renomination. He then became "financier" of the organization. T. W. Rowe was at the head of the American Flint Glass Workers from 1903 to 1916. P. M. Arthur died in 1903 after serving nearly thirty years as the chief executive of the Brotherhood of Locomotive Engineers. It is generally conceded by the friends and foes of organized labor that the officers of the national bodies are, as a rule, men of good character and unusual ability. As has been frequently noticed in the case of radical and "unsafe" men who have been elected to positions of great power in the political field, the exercise of authority and the weight of heavy responsibilities seem to bring conservatism and sobriety of action. On the other hand, labor leaders who accept a salaried office and no longer work at their trade are in danger of getting out of touch with the rank and file. The points at issue no longer directly concern the salaried official. As in the political arena, the greatest official inefficiency is usually found in the local organization. The "labor boss" and the "labor grafter" are not unknown; but wholesale condemnation of labor officials and "walking delegates" is not justified. When the trade-union organizations of today with their centralized authority and complex structure are compared with those of two or three decades ago, it is not difficult to discern that the evolution of large-scale and integrated industry has been roughly paralleled by changes in the field of organized labor.

Admission to Membership. As a rule any competent person actually working at his trade or occupation may gain entrance to the labor organization in his particular trade or industry. The American Federation of Labor and certain national unions employ salaried and volunteer organizers. The business of the organizer is to induce non-union men to enter the organization. Advertising methods are sometimes employed. The machinists in a Michigan city placed an advertisement in their local paper giving reasons why the unorganized machinists of that city should join the union; and an invitation was extended to all such persons to attend the next meeting of the union. One of the points emphasized was the payment by the union of strike and death benefits. Coercive measures — the refusal to work with non-union men or to purchase or work upon goods produced by them — frequently cause the non-unionists to apply for union membership. A union which aims to fix minimum wages and to shorten the working day uses similar tactics to those employed by a great capitalistic trust. It tries to induce all workers to come into the union fold; but failing in that endeavor, it attempts to force the recalcitrant ones out of the trade of occupation. In actual practice, certain unions exclude women, Negroes, or aliens. Occasionally, unions composed of skilled men restrict their membership by charging high initiation fees. A few years ago the building trades of Chicago charged initiation fees equal to wages for one hundred hours' work. The local union may impose restrictions in addition to those required by the national body. Candidates are admitted to membership by the votes of a local.

Disputes Between Unions. Competition between rival unions has long been recognized as a serious menace to the progress and stability of organized labor. The recurrence of quarrels "within the family" has been considered by labor leaders to be "the one dark cloud" on the union horizon.

Recently, however, the growing opposition from without has tended to push the jurisdictional dispute into the background. The jurisdictional dispute in the field of organized labor is a parallel to sectional strife in the American political field; and as internal disputes in the nation are overlooked when foreign nations menace, the jurisdictional quarrel is forgotten when employers' association and giant corporations prepare to crush labor organizations. In the face of opposition unions are less likely to fritter away their strength fighting each other. Jurisdictional disputes are of two general types: (1) Between trades over the demarcation of their boundaries, and (2) industrial versus trade organizations. Demarcation disputes may be subdivided into two classes. (*a*) Two well-established unions may lay claim to certain forms of work lying in the borderland between the two trades. For example, should the steam-fitter or the carpenters bore the holes in wooden floors for steam pipes? Should boiler makers or structural iron workers construct iron smokestacks? In disputes of this type, the group selfishness of the workers is in evidence. Each group or trade strives to get the greatest amount of work possible without much regard for the rights of the other groups. Employers are often interested in the dispute because they are anxious to assign, wherever possible, the work over which there is a controversy to the union receiving the lowest rate of wages. (*b*) As specialization in industry developed, trades that were formerly unified began to split up into a variety of allied trades. The printers' trade has been split up into different trades. New craftsmen have appeared, such as the pressmen, electrotypers, and linotype machine operators. Such new groups struggle for independent recognition, and often new organizations are differentiated out of the parent group.

Jurisdictional disputes between the trade and industrial unions are numerous and difficult of solution. The Brewery

Workers have engaged in bitter disputes with the teamsters, the engineers, the firemen, and the coopers. The United Mine Workers have also had serious contentions with various trade organizations. The teamsters, for example, are anxious to make their organization as inclusive and powerful as possible. They wish to draw all the teamsters employed in the brewing industry into their organization. The Brewery Workers feel that the loss of the teamsters would seriously weaken their organization. They wish to be able to control all the employees of the brewing companies. The separate organization of the various trades involved in the brewing business would leave the workers who are technically brewery workers in a position in which they might be able to accomplish but little.

The dangers connected with jurisdictional disputes are obvious; but the remedy is not so apparent. Mr. Mitchell believed that some form of federation was the remedy. But there are certain obstacles to be removed. The unions having a large membership desire representation according to members; the small unions knowing that they will be outvoted, on that basis naturally would demand representation by organization. The situation is similar to that which confronted the constitutional convention of 1787. The large states, such as Massachusetts and Virginia, wanted representation in Congress according to population. Connecticut and Delaware, of course, did not look with favor upon this proposition. The policy of the American Federation of Labor has been to refuse to assume the authority to settle jurisdictional disputes between affiliated unions. A spokesman for the industrial union declares that "the only radical solution might be found in the idea of a general labor union, which, however, would have to possess a much closer unity and exercise a much more far-reaching influence upon its members than does, for instance, the American Federation of

Labor." [1] The disappearance of jurisdictional disputes can come only with the strengthening of the power of a national body controlling all organizations and with the development of a feeling of solidarity among the mass of wage earners.

The Introduction of Machinery. The traditional attitude of the organized and unorganized wage earners toward the introduction of machinery has been one of hostility. History records many instances of the destruction of new machines by mobs of workmen fearful of displacement by the machine. The wage earners have often faced the destruction of a skilled trade and the reduction of wages; and they have felt that invariably the benefits of improved machinery accrue to the employer and to the consumer. Various unions have bitterly opposed the introduction of machinery; and have refused to allow union men to operate machines. The plumbers, the cigar makers, and the stone cutters adopted that policy. In recent years, organized labor is gradually being forced to accept the view that opposition to the introduction of machinery is in the long run futile. A new attitude toward improved machinery is being assumed. The unions are demanding that only union men operate machines and that wages shall not be reduced or that wages shall be increased. In this manner, organized labor aims to prevent the displacement of union men, and to gain a share of the benefits derived from the use of improved methods. The best example of this policy is found in the printing trade. The national unions in the glass industry and in the iron molding trade have attempted to follow the example of the printers, but their success has been less marked.

Before 1890 typesetting was a handicraft art which had undergone few changes since the introduction of printing. During the decade of the nineties, machine composition rap-

[1] Schlüter, *The Brewing Industry and the Brewery Workers' Movement in America*, p. 232.

idly displaced hand typesetting. The invention of the linotype machine revolutionized the typesetting branch of the industry. The International Typographical Union did not oppose the introduction of the linotype, but demanded jurisdiction over it. At the annual meeting held in 1888, when only about 100 linotype machines were in operation in the United States and Canada, resolutions were adopted recommending "that subordinate unions . . . take speedy action looking to their recognition and regulation, endeavoring everywhere to secure their operation by union men upon a scale of wages which shall secure compensation equal to that paid hand compositors." [1] Although the members of some locals were reluctant to learn to operate the machines, the national union has steadfastly adhered to the policy outlined when the linotype first appeared.

The success of this policy has been very pronounced. In 1904, 94½ per cent of the male linotype operators were members of the union. Wages have been maintained and raised in spite of the introduction of the typesetting machine; the length of the working day has been reduced, and the amount of unemployment because of the change in methods was diminished. The most notable gain has been in shortening the length of the working day, since the strain upon the operator of a linotype is greater than upon the hand compositor. The union has shared with the employers and public in the benefits of improved methods. If organized labor in other industries can as successfully carry out a similar policy in regard to the introduction of new machines and methods, the vexed problems centering around the introduction of machinery and the displacement of skilled workers would seem to be approaching solution.

What forces enabled the typographical union to maintain firm control over the trade in the face of the introduction

[1] Barnett, "The Introduction of the Linotype," *Yale Review*. Vol. 13: 268.

of the linotype? Certain labor leaders in their testimony before the Industrial Commission attributed the success of this policy solely to the strength of the Typographical Union. If these opinions are well founded, the cigar makers, the glass workers, or the iron molders can successfully face the introduction of machines into their industry by strengthening their organizations and by following the course pursued by the printers. The latter, however, had certain strategic advantages when they confronted the typesetting machine.[1] (*a*) The greatest strength of the union came from the control of the large newspaper offices. The boycott would be a particularly effective weapon against a newspaper in case of a serious labor dispute. (*b*) The linotype was first introduced into the large newspaper offices. As its use spread to the smaller offices, the latter were enabled to get a supply of skilled operators from the large offices. (*c*) Unskilled operators have not proved successful in operating the linotype. The hand compositor's knowledge is very useful to the machine operator. The third consideration is of great importance because in the majority of cases the introduction of machinery reduces the quality of workmanship required in the manufacture of the product. The linotype operator, on the contrary, "must know the same things" as the hand compositor, and he "must think far more rapidly." These considerations lead to the conclusion that labor organizations in the other trades, although using the same tactics, may not be able to cope with the introduction of machinery as successfully as have the printers.

Collective Bargaining. Labor is organized primarily because it is vitally interested in the amount, method, and time of remuneration for the labor of wage earners. Under normal conditions and in small-scale industry wages are directly determined as the result of a bargain between the indi-

[1] Barnett, *Yale Review.* Vol. 13. Reprinted in Commons, *Trade Unionism.*

viduals furnishing the labor power and those furnishing the capital. There are two forms of wage bargaining, — individual and collective bargaining. If each individual member of a group of employees makes a separate and independent bargain with his employer, the method of individual bargaining is employed. If the employees or a group of employees send representatives to bargain with the employer, and an agreement is reached which fixes a standard wage for each group or for each class of work, the method of collective bargaining is used. The ability to require the collective bargain is the crucial test of unionism. Labor disputes in an industry in which collective bargaining prevails are large-scale; single workmen cannot be dismissed and replaced because of controversies over the wage bargain. The employer faces the loss of all or a considerable fraction of his employees in case of a dispute in regard to wages.

Individual capitalists have found coöperation with each other advantageous. As a result, great corporations have come into being. The individual unit is merged into the more complex legal unit. The individual investor now delegates his rights and powers in regard to the control and management of the business into the hands of representatives, — directors, managers, and foremen. The members of labor organizations maintain that a bargain between individual workmen and the representatives of consolidated capital is of necessity unfair. The trade union is a combination among wage earners which corresponds to the corporation in the case of units of capital. The wage bargain can only be equitable when representatives of the wage earners face representatives of consolidated capital. Accordingly, it is maintained that the system of collective bargaining is simply an outgrowth of business consolidation. The workers are forced to unite and to bargain unitedly, or to face dangerous competition among themselves and to suffer reduction of

wages. The refusal on the part of the superintendent of a large factory to bargain with representatives of his employees is as absurd and unreasonable as would be the demand on the part of the employees for direct negotiations with the stockholders of the company represented by the superintendent.

The chief effects of the system of collective bargaining are: (1) It tends to level time wages; (2) to increase the average wage; (3) to establish a minimum wage; and (4) to transfer competitive pressure among workers from wages to efficiency and skill. "The standard rate" fixed by the unions through the use of collective bargaining is a minimum rate or a "living wage." A minimum wage may also be established by legislative action. In actual practice the standard rate does tend toward a uniform wage where the time wage system is used. This uniformity in the rate of wages is found within a given shop or in a given locality; the collective bargain only tends in a small degree to reduce the wages paid in different localities to a common level. Collective bargaining between railway companies and their employees presents some exceptions to this general statement. Recent increases in the wages paid railway trainmen were first granted upon one railway; then the men in the employ of other roads demanded that the same scale be adopted by the latter. Collective bargaining in the railway world is leading toward standardizing the wages paid by different railway systems. A non-union shop in which wages are fixed by individual bargaining will, however, present greater variations in wages than a union shop using the system of collective bargaining. Unionists are prone to object to grading or classifying their workers in a particular trade. The members of labor organizations insist that such a practice is demoralizing and "tends to destroy that friendship which is essential to trade unionism." The unionists also fear that the man who receives higher wages than the standard wage is employed to act as a "rusher"

or pacemaker. He is hated as one who is taking "blood money."

The minimum wage is by no means entirely inimical to the skilled and efficient worker because he is protected by it in several ways. (1) "The union rate is usually higher than the competitive rate (established by individual bargaining) would be. Consequently, if wages are leveled, they are leveled up, not down, so that the earnings of the superior workmen are not reduced, even though the earnings of the inferior workmen are increased."[1] If the minimum wage were not leveled up above the market rate, some trouble might be anticipated in the collection of union dues. (2) The better workmen are likely to be assigned to the more delicate, varied, and interesting tasks. (3) The minimum wage prevents an encroachment upon the work of the skilled. Minute subdivision of labor is prevented by the establishment of the minimum wage. The employer does not find it profitable to take away portions of a skilled trade and give them to an unskilled man if the latter is paid the standard wage. The temptation to introduce young boys into the industry is reduced by the enforcement of a high minimum wage scale. (4) In the event of a business depression the poor rather than the efficient worker is first thrown out of a job. Under normal conditions, if some worker must be temporarily "laid off," it will be the unskilful ones rather than the efficient who will be chosen.

The standard or minimum wage fixes certain bounds within which competition acts. The employer is restrained from forcing the level of wages below that which is necessary for decent living. "If the conditions of employment are unregulated, it will frequently pay an employer not to select the best workmen, but to give the preference to an incompetent or inferior man, a 'boozer' or a person of bad character, provided that he can hire him at a sufficiently low wage,

[1] Adams and Sumner, *Labor Problems*, p. 257.

make him work excessive and irregular hours, or subject him to insanitary conditions."[1] The individual and the unregulated wage bargain makes possible the sweating system. The introduction of the standard wage makes for the survival of the fittest. Competition in regard to wages is limited, and the stress is now laid upon efficiency and quality of product. Unionism at its best, as in the case of the stove molders,[2] has in a large measure actually transferred competition from price-slashing and wage-cutting to a struggle for better quality of product. The true competitive ideal is not absolutely unregulated "jungle" competition, but competition according to certain rules of the game which tend to prevent the degradation of the worker and the deterioration of the product.

The establishment of a minimum wage does not necessarily mean good wages for the incompetent workman; but it does mean that the employable worker be given sufficient to keep him and his family in health and efficiency. The incompetent will be thrown out of employment, and must be provided for in some other manner; or they will be obliged to enter an inferior wage group. The inefficient employer will also be forced to the wall; and the sweater will lose his occupation. The establishment of a minimum or a living wage is a partial recognition of a system of distribution according to needs. Needs are frequently accepted as a determining factor in the case of professional salaries, as, for example, of school teachers. Teachers have certain necessary requirements and sundry more or less conventional needs; the latter are potent factors in determining the salary of teachers as a class.

The chief objections to the minimum wage system are three in number. (1) It increases the amount of inefficient work. This directly controverts one argument favorable to the system. An extract from a speech made by the presi-

[1] Webb, *Industrial Democracy*, p. 716.

[2] See the section on collective bargaining in the stove industry.

dent of an employers' association in New Zealand is typical of the attitude of certain employers. "One of the most serious charges that can be laid against unionism is that it reduces the efficiency of labor. This is the direct and inevitable outcome of the minimum wage, which means scaling efficiency down to the level of the least competent workman. This is perfectly manifested in theory, and practical evidence has been adduced in connection with more than one trade now working under awards of the court. The direct effect upon industry cannot fail to be felt sooner or later, revealing itself in increased cost and inferior workmanship. And this effect will become more marked as the area of deterioration extends."[1] This tendency will be more apparent in eras of "good times" than in periods of trade depression. When there is considerable demand for labor, poorer workers will be employed than when the demand is slack. As a consequence not only will the average efficiency in the trade be lowered, but the efficiency of each individual among the better workers is in danger of appreciable deterioration. The presence of less efficient, but equally paid, workers and the remoteness of the danger of unemployment produce this regrettable effect upon the worker.

(2) By causing the early displacement of workers who are past their prime, the minimum wage system increases unemployment. The stress and strain of industry are such that the older workers cannot work side by side with the younger and more vigorous. Where no minimum is established the older workers are driven to accept very low wages or be discharged; in case a minimum is established the first alternative is lacking. A system of old age pensions is one way of caring for the old and enfeebled workers. A gradation of labor within a trade may obviate some of the difficulties.

(3) The minimum wage system does not adequately recog-

[1] *Bulletin of the Bureau of Labor.* No. 49, p. 1222.

nize inequalities in the ability and the efficiency of different workmen within a given trade group. Employers vehemently assert that the tendency is to reduce all to a dead level of mediocrity, that the effect is vicious, and that progress is retarded. As has been pointed out, the attempt at gradation is looked upon by members of the union as endangering the solidarity of the organization. Employers antagonistic to labor organizations could use classification and gradation as a powerful weapon against nearly all unions except those composed of highly skilled workers. Gradation of workers might also be used as a cloak to cover stealthy reductions in the average rate of wages.

The Closed Shop Policy. An open shop is one in which union and non-union men work, or may work, side by side. No discrimination is practised against union or non-union men. In some cases, this arrangement is purely informal, and collective bargaining is not utilized. In other cases a more or less definite agreement may be entered into between the employer and his organized employees.

At least three distinct types of the closed shop may be found: (*a*) *The anti-union shop.* The anti-union shop is closed to the union man. The employer in such a shop closes the door upon the union man. He will not knowingly hire a union man, and he will discharge any employee who openly joins a union. Frequently, the applicant for a job in an anti-union shop is required to sign a card stating, among other things, that he is or is not affiliated with a labor organization. The union man is never hired. In some cases, the job seeker is asked to sign a statement to the effect that he will not join a labor union while in the employ of the company. Under an Oklahoma statute, such action on the part of a person or corporation constitutes a misdemeanor. The federal statute restraining railway companies engaged in interstate commerce from discharging an employee because of member-

ship in a union was declared unconstitutional. Many bitter opponents of the other forms of the closed shop are ardent advocates of the anti-union form of the closed shop. They call their factory an open or a non-union, not a closed, shop; and they have much to say about the tyranny of the closed shop when closed by the union.

(*b*) *The Closed Shop with the Open Union.* The employer is allowed to hire whomsoever he desires to employ; but the new employee, if not a member of the union, must become affiliated with it. (*c*) *The Closed Shop with the Closed Union.* The employer is restricted to the membership of the union for new employees. This is the highest form of "unionization" of an establishment. Men who lose their good standing in the union must be discharged. If the union requires a large initiation fee or insists upon rigid apprenticeship rules, this form of the closed shop is highly monopolistic in character. Hereafter, the first form will be called the anti-union shop, and the second and third will be termed the closed shop.

The rules governing the closed shop are enforced by means of one of two methods, — the card system or the check-off system.[1] The card system is used most widely, and is the more difficult system to carry out effectively. Union officials must inspect the shop from time to time, and appeal to the foreman or superintendent to discharge all employees who have not paid their union dues or who for any other reason are no longer in good standing in the union. Under this system, the union officials must frequently exert pressure in order to compel individual members to pay their union dues.

The check-off system has only a restricted application. It is used in the bituminous coal mines and in the window glass manufactories. The supervision required by union officials is very slight. The company agrees to deduct from the pay of its employees, the fees, fines, and irregular assessments

[1] Stockton, *Johns Hopkins University* Circular. No. 224.

levied by the union. These sums are turned over to the treasurer of the union. Under this system the employee always remains a paid-up member of the union, because the employer has a standing order to deduct the union's fines and dues from the wages of the employee. From the standpoint of the union, the check-off system is a very efficient method of holding its members and of collecting the dues and fines. Mr. Stockton presents two reasons for the restricted application of the check-off system. (1) The union desires to be less dependent upon the employers of its members. (2) Many employers are not anxious to assist in unionizing their establishments. However, very little friction seems to have arisen in the limited number of establishments in which it has been tried.

The closed shop is a product of mutual distrust and antagonism between employers and employees. Organized labor has little confidence in the employer who demands an open shop in the name of liberty and freedom of contract. The union man believes, and not without reason, that this oft-repeated appeal to the traditional rights of the individual conceals the sinister motive of keeping down the wage level and defeating the aims of organized labor for the betterment of the wage earners. The employers distrust their employees who demand a closed shop. They urge that the union wishes to control the labor supply and to dictate the conditions governing the operation of the plant. The opponents of the closed shop also proclaim it to be un-American, monopolistic, and unfair to the unorganized workers. The following quotation from a trade journal is a fair sample of the sentimental appeal made in favor of the open shop. "The open shop is a concrete example of the spirit of American institutions and represents that liberty which, on a larger scale, our fathers fought for. . . . The open shop allows a mechanic to take personal pride in his work and makes the amount of his earn-

ings dependent solely on his skill and industry. . . . The open shop stands for American manhood." The advocates of the closed shop declare that the open shop in many industries means low wages, the long working day, overdriving, and unsanitary working conditions.

In the industries where open shop agreements are continued year after year, three conditions appear to be essential:[1] (*a*) Strong and well-disposed organizations must exist among both employers and employees. (*b*) The employer must pay the same scale of wages to both union and non-union men. A definite rate must be agreed upon and no attempt be made to cut the rate. The railways have almost universally adopted this practice. (*c*) All unsettled complaints must be referred for settlement to a joint conference composed of representatives of the union and of the employers. Unions having full treasuries and emphasizing insurance features do not, as a rule, place as much dependence upon the closed shop as do those which are financially weaker and which do not pay benefits. In trades in which a long term of apprenticeship is necessary or required, the demand for the closed shop is not notably insistent. On the contrary, the constant influx of immigrants is a factor in producing the demand for a closed shop. A variety of circumstances determine whether a union will or will not demand the closed shop. The same labor organization may demand the closed shop in one shop or locality, and gracefully acquiesce to an open shop policy elsewhere. In England the closed shop controversy is of little consequence. The British unionists are chiefly skilled men, apprenticeship rules are more rigidly enforced than on this side of the Atlantic, the amount of immigration is small, the non-unionist is an Englishman accustomed to a standard of living similar to that of the union man, and the subdivision

[1] Commons, "Causes of Union-Shop Policy," *Publications of the American Economic Association*, 1905. The student should read this article.

of labor is not so minute as in this country; and, consequently, the skilled English worker is not so directly and dangerously menaced by the unskilled as is his American brother.

Although the demand for a closed shop grows out of the mutual antagonism between employers' associations and labor organizations, and disappears almost entirely when an agreement system and a uniform scale of wages are adopted, it will probably also recede into the background if (*a*) the struggle between labor and capital becomes acute, (*b*) the unions grow in strength and membership, and (*c*) the skilled and unskilled are knit together into compact industrial unions. The closed shop is essentially a policy adapted to an era of small-scale industrial organizations; it is primarily a trade-union policy.

When a strong employers' association, controlling large portions of the industrial field, faces a powerful, well-disciplined and centrally controlled labor organization, the question of the closed versus the open shop will not long continue to be the important point at issue. The unionized shop may then be accepted as a matter of course just as are the joint-stock company and the corporation. The American people have ever been jealous of encroachments upon individual rights and privileges; and the evolution of great and well-organized industrial systems involving the organization of both labor and capital cannot be accomplished without much social and industrial friction. Opposition and coercion perhaps mark a phase in the change from unrestrained competition and small business units to a condition of greater unification and coöperation; they are the growing pains of industrial society.

The two arguments in favor of the closed shop are, "sentimental" and economic. According to the first method of justifying the closed shop, wages have been raised and conditions of labor within a given trade improved as the result of the efforts and the sacrifices of the members of labor organiza-

tions. All workers in a trade are benefited; and "he who is benefited should bear his share of the expenses of the benefactor." The man who refuses to join the union and bear his share of the expenses necessary to the success of the union's policies is a parasite and deserves to be excluded from employment. Through the efforts of labor organizations, unionists expect not only to help themselves, but indirectly to aid all wage earners. Viewed through these spectacles, the non-unionist or "scab" strikes a blow at the hearthstone of every worker in the land when he refuses to conform to the program of the union. At best, the "scab" is an extremely short-sighted man, and one who must not be allowed to ruthlessly take away such advantages as have been gained by labor organizations. The following quotation well illustrates the union point of view. "To the non-unionist, despite that which his advocates say for him, cannot be attributed the virtue of helping his fellow workmen or contributing toward the establishment of more rightful relations between workingmen and their employers. No force but that of persuasion and moral and intelligent influences should be exercised to convert the non-unionist to membership in our organization, but it is hurtful from every viewpoint, and to every enlightened interest, to advocate the 'open shop'"[1]

The economic necessity for the closed shop depends in a large measure upon the attitude of the employer. If the employer insists upon his right to make individual bargains with non-union employees, and discriminates against union men, or hires non-union men at a lower wage than that paid union men, the union will sooner or later be obliged to fight or be disintegrated. The hostile employer, unless restrained by the closed shop or by a uniform system of wage payment for all workers coupled with a system of apprenticeship and of promotion, can deunionize his shop unless the union

[1] *American Federationist*, November, 1903, p. 1196.

includes practically all the workers available in that trade or industry. The union facing a hostile employer anxious to reduce wages and to lengthen the working day, and in touch with a supply of non-union workers, is forced, unless it gives up all hope of efficient trade-union action, to adopt the closed shop policy. Under such conditions the closed shop means more bread and butter, more leisure, and better treatment for the wage earner.

Restriction of Output. (*a*) *By employers.* Restriction of output is practiced by both employers and employees. Employers' associations aim to limit the total amount of output produced during a given period. One purpose underlying the formation of large industrial combinations is that of controlling the output in order that prices may be raised and net profits increased. The withdrawal of natural resources from use, whether justifiable or not, is a form of limitation of output. The real essence of monopoly is found in the power to restrict output. The advantage of a patent, copyright, or trade-mark is derived from the legal right to control the entire output of the particular article. The earlier form of association or pool, such as those in the iron industry or in the window-glass business, was also directly concerned with the limitation of output. The famous "Whiskey Combination" limited the output of the distilleries in the association. The employer as a producer is not primarily interested in the production of goods; he is directly interested in producing values. The market value of a small quantity of one kind of goods may be greater than that of a larger quantity. It is often profitable to restrict the output, thus enabling the seller to raise the price sufficiently to increase the total income from the sale of the product.

(*b*) *By labor organizations.* Unions often restrict the rate of work, or the output of their members for a given period of time, usually per day. Restriction of output by organized

labor may be divided into three classes. (1) The output per hour of the individual, or his speed or rate of work, may be limited; or the number of hours during which he is allowed to work may be fixed. The most common method of limiting the hours is by fixing the maximum number of hours for a given working day. It is often asserted that such a rule does not cause limitation of output because as much work can be performed day after day, year in and year out, where eight or nine hours constitute the working day as when ten or twelve or more hours are required. Less frequently limitations have been placed upon the number of working hours per year. The rule of the bricklayers that bricks shall not be laid with more than one hand, and the prohibition of the use of any implement other than the trowel in spreading mortar, are good examples of limitation of output. The reason given for such regulations is improvement in the quality of the work. "The plumbers forbid the use of the bicycle in going from job to job because a man can go more quickly than on the cars or by walking."[1] Some years ago the carpenters of Chicago adopted the following rule: "Any member guilty of excessive work or rushing on any job shall be reported and shall be subject to a fine of five dollars." This rule was directed against the practice of paying a few men extra wages to act as "rushers" or pacemakers. It may be defended as a health measure. It may also be defended as necessary in connection with the system of collective bargaining. One man may underbid another by offering to do a larger amount of work in a given time for the standard wage. Unchecked, this tendency would lead to a task system such as is found in the sweated industries.

(2) Certain regulations relating to the use of machines also aim at restriction of output. Five distinct classes of regula-

[1] Hollander and Barnett, *Studies in American Trade Unionism*, p. 307, also p. 306.

tions as to the use of the machine may be distinguished: (*a*) the prohibition of the use of the machine, attempted by the window-glass workers and the cigar makers; (*b*) the limitation of the output of the machine, as required by the soft coal miners; (*c*) allowing only one machine to be operated at a time by one man, as is required by the English machinists; (*d*) requiring several men upon one machine, as is demanded by the pressmen and the stone cutters; (*e*) requiring skilled men to operate the machines, as has been done by the printers in regard to the use of the linotype. The rule that skilled men be used as operators does not in reality cause restriction of output; but rather is it a provision in regard to payment of wages.

(3) Union regulations in regard to division of labor may cause restriction of output. Some unions have attempted to prevent the splitting up of skilled work. Subdivision of labor, at least within certain indefinite limits, increases the dexterity and the proficiency of members of a group and tends to increase the total output of the group. It must not be overlooked, however, that subdivision of labor is often utilized as a method of reducing wages rather than of increasing output.

The three interested parties — the employer, the employee, and society or the general public — view the matter of restriction of output by labor organizations from quite different angles of vision. The employer is anxious to keep wages low, in his own establishment at least, because by so doing his profits will be increased, and he will obtain an advantage over his competitors, if he has competitors. The employer is eager to get as much work as possible out of his employees for a minimum wage. The employee is interested in raising the wage rate and in preservation of his health and efficiency as a workman. Both will unhesitatingly declare that they favor a "fair" day's work for a "fair" wage; but dissensions

arise over the interpretation of the word "fair." Society desires an increase in the total productivity in terms of product, not of value. But society is also interested in conserving human resources and in developing capable and efficient men and women. "Killing time" or "soldiering" reduces productivity, and injures the efficiency and moral stamina of the worker. On the other hand, overdriving and the long working day tend to destroy the human resources of the nation, and to lower the worker to the level of the brute or of the automatic machine. The best — the normal — from the viewpoint of society is a mean between two extremes: — "ca canny" or "killing time" and overdriving or "man killing." The cost of the preparation of a new generation of workers and the expense of providing for the worn-out, disabled, and discarded employees are charges upon the community, not upon the business enterprises of the nation. Insurance systems for employees in case of accidents, sickness, old age, and death, which make all or a part of the insurance premiums a charge upon the business, would tend to minimize overdriving for the obvious reason that overdriving quickly wears out the employees and increases certain elements of expense.

The average employee will maintain greater speed and turn out a larger output per day under the piece-work system than when working under the time wage system. The reason for this difference must be sought in the psychology of man. The quality of the work performed under the piece-work system will on the average not be as good as that performed under the time wage system; and if the material is expensive, much may be wasted. Employees work faster in times of depression than in periods of prosperity. The fear of discharge is the potent incentive during a time of depression. This phenomenon, which may also be traced back to the psychology of the worker, tends to accentuate the difference between the

two periods. The demand for workers is increased when work is plentiful and the supply of unemployed workers relatively small, and the demand for workers is diminished at a time when the supply of unemployed workers is relatively large. In England the practice of "going easy" or "ca canny" is sometimes utilized as a diluted form of the strike. It is a means of formal and united protest against what the worker conceives to be unfair treatment.

Restriction of output by employees is usually justified by the "lump-of-work" argument or the "health-of-the-worker" argument. The first argument is the one frequently used by the old-line trade unionist. The industrial unionist and the unskilled workers usually emphasize the health argument. According to the lump-of-work argument there is a certain quantity of work to be performed. This quantity is assumed to be practically fixed irrespective of the expenses of production. By "soldiering" and by "taking it easy," workers may make jobs for other workmen. As the wage fund theory of the English classical economists assumed wages to be determined by the simple arithmetical method of dividing the wage fund by the number of wage earners, the lump-of-work theory assumes that the number of wage earners to be employed may be ascertained by dividing a definite amount of work to be performed by the amount performed by each individual, irrespective of the costs of production or the price of the product. When stated in this bald form and when applied to all industries, it is unnecessary to attempt to refute the argument. Economists have often condemned the lump-of-work argument as a transparent fallacy; but the trade unionist still clings to it. It is, therefore, fitting that the student of labor problems, instead of ridiculing and reviling the trade unionists, should try to examine the matter from their viewpoint.

It must not be forgotten that the economist assumes free-

dom of competition and the mobility of labor, and that he is chiefly concerned with long periods of time. The trade unionist is interested in practical affairs in which economic friction bulks large, and he is intent upon the "short run." The workman is chiefly concerned with the work of obtaining the comforts and the necessities of life for himself and his family; he is only vaguely interested in that indefinite entity known as the general welfare of society in the lump. The knowledge that a certain policy, if pursued by all for a period of years, will inevitably bring about reductions in the wage scale does not appeal to the average wage earner with a family to feed, clothe, and shelter in the direct and forceful manner that the immediate probability of slack work does. He sees that by "nursing" a particular job he may work longer or another fellow workman may be employed. This is something tangible, the other is a remote and uncertain possibility. Immediate work for John overshadows the vision of a chance of future employment for Tom, Dick, and Harry, and other unnamed and unknown individuals.

Consider such a business as the stove or the window-glass industry. The demand for stoves or for window glass does not vary in a manner commensurate with changes in the market price of those articles. There is a demand which does not vary greatly from year to year; or, if it does vary, the variations are due to changes in business conditions rather than to any changes in the price of stoves or of window glass. From the point of view of the skilled stove molders or the window-glass workers, there is a real, concrete lump of work. If some of the stove molders or of the window-glass workers "rush" or "increase the pace," the others will be thrown out of a job. Some will be idle or they will be forced into other industries. Manufacturers clearly recognize that the market will carry only so much of their product, and a certain lump-of-work is required to make this product. It

is this particular lump-of-work in which the trade unionist is interested. President Lynch of the Typographical Union is reported to have stated that the printers spent about $4,000,000 to establish the eight-hour day, and that "for years to come there will be such a demand for printers that all who thoroughly learn the trade will be paid wages over any scale heretofore adopted."[1]

The intricacy of today's industrial operations separates widely in time and space the effect of an action from the action itself. This is one of the characteristic marks of the industrial world of the twentieth century. It is this complexity which often causes restriction of output. The effect of an action is not clearly seen; or its effect is seen to be so widely distributed that a man's personal interest in it seems infinitesimal. Again, the belief that restriction of output by wage earners strikes a blow at monopoly profits furnishes an underlying motive for the practice.

When restricting the output of individual workmen, in order to make work for other workers in the same trade, the union man is actuated by selfish motives; he is interested in benefiting himself and the members of his union. When the unionist adopts this policy of restriction he is selfish, and he may be short-sighted; but he is not devoid of intellectual acuteness. Monopoly is usually condemned as retarding economic progress; but individuals and classes certainly derive economic advantages through the exercise of monopolistic power. Likewise, restricting the output of workers in order to give employment to a larger number in a restricted group may be condemned as injurious to society, but it is not clear that the members of that particular group are injured. And it is difficult to successfully prove that it is more immoral for workers to restrict output or to give as little work as possible for as high a wage as possible than for the managers of

[1] *American Federationist*, Dec., 1907, p. 973, first column.

great syndicates to restrict output or to try to get as much work as possible for the least possible wage.[1] The lump-of-work argument is surely not fantastic as long as class or interest antagonisms play an important role in social and political affairs, and in a country where each person is still expected and urged to look out for "number one."

Still another phase of the argument presents itself. If the workers in one establishment are speeded up and those in competing establishments maintain the old rate of speed, there is no certainty that the speeded-up workers will receive their share in the extra profits due to these extraordinary efforts. But the workers in other establishments will soon be forced to follow the lead of the first establishment, and the increase in total output may cause such a reduction in price as to reduce the total value of the output. In an industry producing a product for which the demand is inelastic, this is not a purely imaginary contingency. In such a case, a readjustment of wages and of employment will occur within that industry. Outsiders might benefit from the speeding-up of the group, but the members of the group would lose rather than gain. Even if the value as well as the amount of the output were increased, unless the workers were strongly organized — practically a monopolistic group — there is little reason to suppose that they can gain concessions from their employer equivalent to the increased speed of the worker and to the additional expenditure of energy required of him.

Restriction of output is often justified as necessary in order to preserve the health and vigor of the worker, that is, to conserve the human resources of the nation. Energy and the ability to produce are the workingman's capital, but it is intangible and is not adequately protected by law. The trade unionists declare that speeding up beyond certain more or less definite limits impairs the efficiency of the worker and

[1] See Mitchell, *Organized Labor*. Chapter 29.

reduces the total output during his lifetime. From this point of view, it is little short of robbery to quickly wear out a workingman and impair his capital while only paying "living wages." "An industry which uses up the vital energy of a worker in a few years is coining the nation's life-blood into dividends. No industry has a right to more than that amount of the worker's energy which can normally be replaced by the food and rest allowed him." [1] It is obviously to the interest of the worker and of society that overdriving and sweating be abolished. As long as the policy of organized labor is directed toward such a consummation, the trade union is acting in a legitimate and desirable manner. Restriction of the output of an individual worker during a given day, week, or year may be justified because it increases his total output and allows the worker to become a better citizen and a more desirable member of society. Careful tests could be made in order to ascertain the proper amount of time needed to perform a given job. Systematic investigations of this nature would give definite standards or averages for the output of the average worker.

A third reason for restricting output is interesting but of relatively slight practical importance. The regulations of the Maine Lobster Catchers' Union forbid the capture of lobsters under ten and one-half inches in length. Such a restriction was first made through legislative action, but it was not well enforced. Finally, the lobster catchers realized that restrictive action was necessary to save the industry from destruction. A union was organized; and this restrictive measure enforced. The output for a given season is reduced or restricted in order that the business may continue year after year. "No criticism is heard from the public as long as the output is limited to save this fish product from

[1] Martin, "Do Trade Unions Limit Output?" *Political Science Quarterly.* Vol. 17 : 371.

utter annihilation, but when the health of the worker is at stake in other industries, there seems to be little sympathy with any limitation than that which the capacity of a skilled 'pacemaker' demonstrates." [1]

Hours of Labor. One of the most familiar and insistent demands of organized labor has been for a shorter working day. A century ago the average length of the working day may be conservatively estimated to have been twelve hours. In cotton factories as late as the decade of the forties the working day was over twelve hours in length. Not until after 1880 was the normal working day in breweries reduced below fourteen hours. "In 1886, with the exception of two establishments, every ton of pig-iron produced in the world was made by men working twelve hours per day and seven days per week." [1] An eight-hour day has been very generally obtained in hazardous and unhealthful occupations, such as mining, and in certain occupations in which the trade unions are very powerful, such as the building trades and the printing trades. In the clothing industry, the forty-four hour week has been quite generally obtained by the organized workers. The Bureau of Labor Statistics after investigating the hours of labor in four thousand manufacturing establishments in the United States found that the average number of hours worked per week declined from 1890 to 1907 in the ratio of 100.7 to 95.0. A later investigation recorded a further decline from 1907 to 1918 in the ratio of 103 to 97. The later investigation presents the relative decline in certain organized trades from 1907 to 1918. For bakers, the relative hours are reduced in the ratio of 111 in 1907 to 96 in 1918; bricklayers, 102 to 99; coremakers, 103 to 98, blacksmiths, 103 to 94; press feeders, 112 to 100.[2] War-time prosperity was responsible for a considerable increase in the number of

[1] Carnegie, *The Forum.* Vol. 1, p. 544.

[2] *Bulletin of Bureau of Labor Statistics.* Nos. 77 and 259.

eight-hour workers. Many employers doubtless feeling that the eight-hour day was coming took the initiative themselves. In the ten months preceding April 1, 1916, "nearly 100,000 men and women have won the eight-hour day in the United States." [1]

During the last century the productive powers of man were multiplied many times because of the use of the energy of coal and water through the agency of steam and electricity; and the total quantity of human labor necessary for the same amount of production was correspondingly diminished. As a consequence the human race has been lifted from a condition of struggle for the necessities of life to a plane where comforts seem possible for all. The wage earners insist that they should share in the benefits derived from the use of natural forces and machinery, by receiving higher wages and by shortening the working day. Increased efficiency in production should allow wage earners to raise their standard of living; but long hours of labor in factory and shop have in the past been accompanied by low standards of living. Indeed, the fundamental purpose of the labor movement is to enable the wage earners to take a portion of the material and immaterial benefits accruing to society as the result of industrial advance.

Labor leaders are practically unanimous in emphasizing the importance of a shorter working day. In arguing for the eight-hour day the theory is frequently advanced that wages depend upon the standard of living of the wage earners. In this contention they have the support of very respectable authority. Ricardo pointed out that the "natural price of labor varies at different times in the same country, and very materially differs in different countries. It essentially depends on the habits and customs of the people." The argument continues with the statement that increased wants are

[1] *The Survey*, April 1, 1916.

the result of more time for leisure; and, hence, a shorter working day by raising the standard of living will increase wages. As a matter of experience, shortening the working day has proven one of the best means of raising wages; and when a shorter working day is once obtained it is rarely lengthened. The man who has been receiving $2.50 for a ten-hour day will not be content with $2.25 for a nine-hour day; through his organization he will demand an increase in the rate per day. Wages are paid out of the gross earnings of business establishments. Unless shortening the working day actually increases productivity, the increased wage can only be paid by deducting it from profits, rent, interest, or monopoly gains.

An expanded and modified lump-of-work argument is also advanced by the trade unionists in support of their demand for shorter working days. The familiar and oft-quoted rhyme illustrates the point:

"Whether you work by the piece or work by the day,
Decreasing the hours increases the pay."

With a shorter working day, it is urged, more workers would be required and more machinery would be used. Higher wages and the increase in the number of wage earners required would in turn increase the demand for the products of industry. Mr. McNeill puts the argument in a pointed way. "The larger the demand the larger will be the means of supply; the demand determines the amount produced, the market determines the demand, and the conditions of the people determine the market."[1] While this argument may not be without serious fallacies, an increase in wages and a stimulation of wants among the wage earners does swell the demand for goods and does lead to an expansion of the industries providing the comforts and necessities of life. Tropical countries do not offer excellent markets for the manufactured

[1] (Pamphlet) *The Eight-Hour Primer*, p. 15. See also Ira Steward's argument, Chapter IV.

goods of the temperate zones because the working classes have few wants and receive very low wages.

It is frequently urged and apparently proven by statistics that up to the present time the reduction in the length of the working day has not diminished the volume of production. The shorter working day means increased rapidity of action. The validity of this argument depends upon the amount of reduction in the working day and upon the nature of the industry concerned. If a reduction from twelve to ten hours or from ten to eight hours does not diminish the daily output of the average wage earner, would not a further reduction lead to a diminution in the daily output per employee? In those industries in which alertness and skill are required of the workers, and in which the worker is constantly subjected to mental or physical strain, shortening the working day to ten, nine, or eight hours often increases the output per worker. Some of the testimony before the Industrial Commission was to the effect that men working eight or nine hours produced as much as those working for a longer period each day.

The Solvay Process Company, of Syracuse, in 1892 adopted a system of eight-hour shifts in the place of eleven and thirteen hours. In 1905 the president of the company stated that the efficiency of the men was increased, the time per unit of product reduced, and the days lost per man because of sickness diminished. In 1891 the Zeiss optical factory, located at Jena, reduced the working day to nine hours; and in 1900 a further reduction to eight hours was allowed. The manager after a careful investigation found that the reduction in time led to an increase in the total output. The Salford Iron Works, of Manchester, England, employing about 1200 men, in 1893, as an experiment, reduced the hours per week from 53 to 48. As the result of this experiment, the 48-hour week was made permanent.

The introduction of the eight-hour day by the bituminous coal miners in 1897 and into the anthracite field in 1916 resulted in an increase in output per miner per day. A firm manufacturing shoes and employing over 4,000 men voluntarily reduced the hours per week from 55 to 52, beginning December, 1916. The results were reported as follows: October and November, 1916, under the 55-hour week, the output per production unit per man was 8.91; December, 1916, and January, 1917, under the 52-hour week, the output was 9.00; and in February and March, 1917, 9.02. The company declares: "Our whole experience tends to justify the shorter-hours movement. We are absolutely convinced that it is right for the community as a whole, because we feel sure it would increase the net productivity of society. We believe it is right for the individual factory unit because we have come to realize that even in an individual plant the real problem is to get the maximum amount of work done by a given thousand people, not in a day, in a week, or in a year, but in a lifetime." [1]

The United States Public Health Service after a study of an eight and a 10-hour plant, reached conclusions favorable to the 8-hour day. The outstanding feature of the 8-hour system is steady maintenance of output; of the 10-hour system, decline of output. "Under the 8-hour system work with almost full power begins and ends approximately on schedule, and lost time is reduced to a minimum. Under the 10-hour system work ceases regularly before the end of the spell and lost time is frequent." The increase noted in many industries following a reduction from a 10- or 12-hour day to a shorter working day, does not necessarily prove that the men were overworked. It may be largely a matter of willingness to work. Satisfaction and contentment are important factors making for the greater efficiency of the short working day.[2]

[1] *The Survey*, May 12, 1917; *The New Republic*, June 9, 1917.

[2] Slichter, *The Turnover of Factory Labor*, pp. 257 ff.

On the other hand, in industries in which machinery sets the pace and in which the work is chiefly of a routine character, the reduction of the working day causes a reduction in the daily output per wage earner. As an offset to this statement, it may be said that the long working day increases the number of accidents and the amount of spoiled work, and causes the worker to be less diligent in tending his machine. Machinery cannot be operated at a higher speed for eight hours than for ten or twelve. In short, there is an "optimum" for each worker and each industry, "that is, a minimum time of labor resulting in the largest output."

The most convincing argument in favor of a short working day emphasizes its social value. The long working day, particularly when the work is specialized and the strain intense, tends to weaken, degrade, and brutalize; the short working day tends to improve the health of the workers, to reduce the amount of intemperance and dissipation, to uplift the worker and his family by giving the former time for rational enjoyment and for family and civic duties, and to improve the stamina of the race. "The first school of morals, family life, is a closed book against the man who only comes home dead tired late at night."[1] The man who works in shop or factory twelve hours daily cannot take an intelligent interest in political affairs or in trade-union policies. In former centuries leisure and culture were the birthright of the few; but a century of marvelous technical advance places these among the rights and privileges of the masses. The demand for a shorter working day is an important factor in the movement toward better conditions for the masses, for those who have hitherto had little opportunity for anything except hard and almost continuous toil.

The temporary effect of the sudden reduction of the length of the working day may be very different from the permanent

[1] Schulze-Gaevernitz, *Social Peace*, p. 124.

results. The temporary effects may often be evil. Some adult workers suddenly released from work two or three extra hours each day may waste the time in ways which cause physical, mental, and moral deterioration. But in the long run and with the incoming generation, these temporary evil effects will, in a large measure, disappear, and better use will be made of the increased amount of leisure time. Improvement in the habits, manners, and customs of the mass of society is a matter of slow growth even under the most favorable circumstances. An eight-hour day for all manual workers is not a cure-all for the social ills which afflict humanity; "but if it secures for millions of tired workers an hour or two of leisure which otherwise would have been spent in toil; if it enables many who otherwise would have plodded the daily round of monotonous labor to obtain access to some share in that larger life from which they are now relentlessly excluded; if it protects the future generations of the race from physical degeneration or mental decay; if it makes brighter the lives of those who have toiled that a small class among us might have education and holidays and culture; if it accomplishes only partially some of these great ends," it "will be no mean accomplishment."[1]

The increasing stress and nervous strain required in modern industry coupled with increased specialization make the necessity for leisure time imperative. At the time when improved means of communication and of transportation, the enlargement of the market area, and the growing intricacy of social and political affairs demand a broad view of the world and its activities; occupations and trades have been so specialized and subdivided that the life of the average wage earner is cramped. The wage earner's daily work and home environment tend to contract and astigmatize his view at the time when peoples and nations have been brought into close

[1] Webb and Cox, *The Eight Hours Day*, p. 11.

contact with each other. The disadvantages caused by this grim paradox can be diminished by an increase in the amount of leisure time allowed routine workers, by an improvement in educational facilities and methods, and by enlarged opportunity for healthful amusements.

Limitation of Apprentices. The rapid industrial changes of recent decades and the disappearance of many old handicrafts, and the appearance of many new and not well-defined trades, have made the apprenticeship question one of great practical importance.[1] At the present time, the apprentice is rarely able to learn his trade from a journeyman or a master workman who is skilled in all the branches of the work of his craft. Subdivision of labor has reduced the demand for all-around men; and in the modern shop adequate instruction of the apprentice is a burden for both the journeyman and the employer. The shop or the factory exists for the purpose of producing at a profit an output of marketable articles; it is not, except in an incidental and extraneous manner, an educational institution. The journeymen and the foreman are not usually skilled teachers; and the apprentice will inevitably spoil considerable material and damage tools and machines. There is no tangible and immediate identity of interest between the employer and the apprentice. The latter is interested primarily in gaining an adequate knowledge of the variety of details connected with his trade; on the other hand, his employer is constantly striving under the pressure of competition and the spur of the desire for larger profits, to reduce the expenses of production and to increase the output of each worker. If the employer sacrifices the efficiency of his plant in order to give young workers trade education, he may be unable to meet his competitors on a plane of equality. Although skilled workers may be urgently demanded, employ-

[1] A discussion of the methods of training apprentices will be found in the chapter on Trade and Industrial Education.

ers are often unwilling individually to shoulder the burden as long as some shops refuse to act as adequate schools for apprentices and frequently attract the young journeymen from the shop which has borne the expense incidental to his period of apprenticeship. "Indeed, there seems to be a growing disinclination to have apprentices."[1]

In order that the apprentice may become skilled in more than one simple and minute class of work, he must be transferred from machine to machine and from department to department. At the moment when the apprentice becomes proficient in any particular operation he should be transferred to some other job or department. At this point, however, the immediate considerations of output lead the foremen to desire to keep the boy where he is. Since the foreman is naturally more interested in the production of machines today than in the training of boys who may become skilled workers tomorrow, and who may get jobs elsewhere, the education of the would-be skilled worker is likely to suffer. The constant temptation is to teach him a few simple operations and to pass on to him certain portions of the work hitherto done by skilled men.[2] Temporarily the employer finds it advantageous to train the young worker and apprentice for routine rather than for skilled work. When the latter finally demands higher wages he can be replaced by another. The gradual increase of subdivision of labor and the simplification of operations have made it less difficult for a boy to learn a smattering of a trade, and more difficult to learn a trade thoroughly.

These conditions make it possible for employers, if not restricted by the enforcement of adequate apprenticeship rules and of reasonable child labor laws, to employ cheap and unskilled labor while making a pretense of training apprentices.

[1] *Eleventh Special Report of the Commissioner of Labor* (1904), p. 270.

[2] See the writer's *Education and Industrial Evolution*, pp. 198–200.

Consequently, the skilled union man fears the improperly trained apprentice for much the same reason that he fears the average immigrant of recent years. Many unions composed of skilled men demand that the number of apprentices in a shop be limited and that provisions be made for adequate instruction. The length of apprenticeship insisted upon is usually three or four years, instead of the seven of the traditional apprenticeship system. The apprenticeship period usually begins between the ages of fifteen and twenty-one years. The common ratio of apprentices to journeymen is one to five. "Except in the old handicrafts, which have suffered little deterioration from machinery or new processes, together with the building, the metal, and the printing trades, no provisions regarding entrance to the trade are usually contained in the agreements between employers and employees." [1] Strong unions in trades requiring skilled work are most insistent upon rules regulating apprenticeship.

Only a comparatively small number of unions are able effectively to enforce rules limiting the number of apprentices. It is worthy of notice that under the old form of apprenticeship, when the boys lived with their employer and were made members of the family, these conditions imposed limitations upon the number apprenticed by each employer. Trade-union action was then superfluous. The chief point at issue between the employer and the union touches the limitation of the number allowed. The differences in regard to limitation are not serious because only a small percentage of strikes in trades insisting upon enforcement of apprenticeship rules are covered by disagreements as to apprentices. In the building trades from 1887 to 1894, only 1.1 per cent were caused by such disagreements; in the printing trades, 2.0 per cent; and in the glass trades, 12.4 per cent.

In favor of the restriction of the number of apprentices in a

[1] *Bulletin of Bureau of Labor.* No. 67, p. 765.

given trade several arguments may be presented. (1) Too many apprentices are a nuisance to journeymen; and, consequently, apprentices do not receive adequate attention unless the number is small in comparison with the number of journeymen. (2) The limitation of apprentices prevents a glut in the market for skilled labor. It assists in securing "fair" wages for efficient service. (3) In the absence of restrictions, the tendency on the part of many employers is to give boys certain portions of the work now performed by skilled men. Mature men may be displaced and the wages paid skilled men may be reduced. (4) This policy has a bad effect upon the boys themselves. They do not properly learn a trade and consequently their opportunities for advancement are few. The improperly trained apprentice always remains an unskilled or semi-skilled worker. (5) The consumers of the products are injured because the quality of the output deteriorates with the influx of unskilled and poorly paid workers. (6) In the manufacturing industries, the sources of supply of skilled men have been the small shop and Europe. The small shop has been absorbed by the big concern, and the character of the immigration to our shores has materially changed in recent decades. In the long run, conditions which do not permit the adequate training of apprentices are injurious to employers as a class.

In opposition to the artificial limitation of the number of apprentices, it may be observed that such action is monopolistic in essence. The limitation of apprentices in a skilled trade may produce a scarcity of skilled labor in that trade, and raise the wages of those protected from competition by these artificial dikes above the normal rate for work requiring a similar amount of training and skill. As a consequence, the supply of labor will be increased in other trades which are not protected by apprenticeship rules, and the wages in such occupations will tend to be reduced, and the amount of unem-

ployment will also be increased. Some youths who are well fitted to become highly proficient in a given trade may be excluded to their detriment and to the detriment of society as well. The Webbs are emphatic in their assertion that the whole apprenticeship system with its limitation of numbers is "undemocratic in its scope, unscientific in its educational methods, and fundamentally unsound in its financial aspects."[1] Too rigid restriction of numbers is likely to defeat the purpose of such restriction. If wages are unduly raised, many will be attracted toward that trade and will learn it under non-union or anti-union supervision.

In view of the long-continued controversy over the limitation of apprentices, it is fitting to inquire as to the ratio between apprentices and journeymen which will maintain a supply approximately equal to the demand for skilled men. Without going into the intricacies of the question, one rough but fairly adequate test may easily be applied by comparing the number of males in the United States of apprenticeship age with the total number of males of journeyman age. The age of apprenticeship may be taken to be from sixteen to nineteen years inclusive. According to the census of 1900, there were 2,981,065 males of these ages in this country. If the journeyman age is considered to be from twenty to thirty-nine years inclusive, there were 12,466,309 males in this group. If the journeyman age be held to extend from twenty to forty-four years inclusive, the number is increased to 14,722,225. The ratio of the males sixteen to nineteen years of age to those twenty to thirty-nine years of age is about 1:4.18; in the latter case the ratio is approximately 1:4.93. This rough and easily criticised method indicates that the ratio of apprentices to journeymen should be at least one to five. If allowance be made for probable growth in the industry, it seems reasonable that a ratio of one to four and one-half would not be excess-

[1] See also *Report of Industrial Commission*. Vol. 8: LXXX–LXXXI.

ive, and would not lead to an over-supply of apprentices in any industry.[1]

Incorporation of Labor Organizations. The legal status of labor organizations is not well defined. In most states labor unions may be considered to be voluntary associations. In some states the incorporation of labor organizations is authorized; the federal government has also legalized the incorporation of national unions. Employers have frequently urged the incorporation of labor organizations on the ground that the responsibility of the unions for the fulfilment of contract would be increased. Labor leaders usually oppose incorporation on the ground that their funds would be subject to continual attacks in the courts in case of a labor dispute. In the event of a strike the funds of the union might also be tied up by an injunction. Such action would cripple the union and might practically end the struggle. The Massachusetts Bureau of Statistics of Labor in 1906 found as the result of a *questionnaire* that 42 out of 53 labor leaders replying believed that the incorporation of trade unions would "be inimical to their interests." The remaining eleven replied that in their judgment it would not be inimical. Of the employers questioned only twelve agreed with the majority of the labor leaders; and thirty agreed with the minority.

However, the court in the famous English decision in what is known as the Taff Vale Case ordered an unincorporated union to be penalized because its officers and members were adjudged guilty of persuading workmen to break their contract and for encouraging acts of violence against the complainant,—the Taff Vale Railway Company. In 1906 a Trades Dispute Act was passed by the English Parliament to remove the effect of the Taff Vale decision. It amended the law of conspiracy in case of labor disputes so that acts performed by a combination of persons are not actionable if they are not

[1] See article by the writer, *Cassier's Magazine*, April, 1905.

actionable when performed by one person. Peaceful picketing was legalized and an action against a trade union, its officials, or members in respect to any tortious act committed in behalf of the trade union shall not be entertained. In the Danbury Hatters' Case, an un-incorporated union, the United Hatters of America was adjudged guilty of being a combination in restraint of trade and was fined $252,000 under the provisions of the Sherman anti-trust law. Labor leaders fearing further assaults upon union treasuries in the event of strikes or boycotts, demanded that Congress pass a law specifically exempting labor organizations from the penalties of the anti-trust law. The Clayton Act of 1914 was supposed, probably incorrectly, to furnish such exemptions. Acting under a war emergency act, the strike funds of the United Mine Workers were tied up by a federal judge during the coal strike of 1919.

Benefit Features. Among English labor organizations benefit features are of greater importance than among American unions. Before unions were legalized in England in 1824, many unions actually existed under the guise of benefit associations. Several reasons may be given for the greater prominence of these features in England. The English organizations are older; they are more closely united; English unions are trade unions, not industrial unions, and therefore only contain men having approximately the same skill and income; the membership of the English unions include few who are not of English birth and descent; the mobility of labor is not as great as in this country; insurance against sickness and unemployment did not appear particularly desirable to the workers in a new country of great possibilities and rich in undeveloped resources; and the militant activities of American unions have been more important and absorbing than in the case of English unions. In recent years, American unions are laying more and more stress upon benefit features. In a

country like Germany, where insurance against accident, sickness, and old age is compulsory, it is not necessary for unions to emphasize this form of activity.

In the year 1901 the income of one hundred "principal trade unions of the United Kingdom" was $10,032,295. The total expenditures for the year were $8,057,147. This was divided among the following items: — unemployed, traveling, and emigration benefits, $1,585,827; dispute benefits, $995,282; sick and accident benefits, $1,678,135; superannuated benefits, $987,666; funeral benefits, $480,883; other benefits and grants to members, $177,476; payments to Federations, grants to other societies, etc., $308,224; working and other expenses, $1,843,654. Over one-half of the expenditures of these organizations were spent on benefits other than strike benefits. From 1892 to 1901 inclusive, the one hundred organizations contributed nearly eighteen per cent of their total expenditures to the payment of sick and accident benefits. During the same period the printing trades utilized nearly one-half of their expenditures in the payment of unemployed benefits.

The Cigar Makers' International Union has been called "the beneficiary organization of the United States." Its system is not as complete, however, as those maintained by some English unions. This union pays strike, sick, death, traveling and unemployment benefits. In 1913, the benefits paid by American unions, including the sums spent in Canada by international unions, amounted to over $14,000,000, of which $6,500,000 were paid by organizations belonging to the American Federation of Labor. Death benefits amounted to nearly $9,000,000; strike benefits to nearly $3,500,000; and sickness and disability benefits to almost $1,400,000. The other kinds of benefits were traveling, unemployment, old-age and tool insurance.[1] In 1918–1919, the national

[1] *Bulletin*, No. 67, New York Department of Labor.

unions of the American Federation of Labor paid over $5,000,000 in death benefits. With few exceptions such as the railway brotherhoods, the death benefits paid by American unions are small. The International Molders' Union and the Cigar Makers' Union were the only national bodies which paid (1919) over $1,000 to their unemployed members. Some unions remit the payment of dues in case of unemployment, and a few pay traveling benefits to the members who wish to seek work in some other place. In nearly all unions, benefit funds are not kept separate from other funds in the treasury. A large fund which has been accumulated ostensibly for insurance purposes can be used for coercive activities. In this way an aggressive union may be furnished a powerful weapon.

An unique form of union benefits is the marriage dowry of the National Federation of Woman Workers, a British organization. If a woman has paid her union dues for several years and has received no direct benefits from the organization, she naturally feels that she ought to receive some kind of a bonus when she marries and leaves the union. Such a provision will also encourage young women to join a union. The provision in the constitution of the Federation reads thus: — "In the event of the marriage of a member, if she has been a full member for two years, and has not received out-of-employment or sick benefit during the period of her membership, the central council shall refund 50 per cent of the amount of her contributions, providing she is leaving her trade and terminating her membership." The marriage dowry has been proposed for the women workers in American unions; but it will probably be necessary to balance it by some pension scheme for old and unmarried women workers.

The effects of the benefit system upon labor organizations may be summarized as follows: (1) It tends to increase the

membership and to make it more stable. The direct and visible flow of benefits stimulates loyalty to the organization. (2) The national body is strengthened. (3) Unions having large benefit funds in their treasury are more conservative than those having an empty treasury; although the presence of funds increases the probability of successful aggressive action, the union without funds, like the man without propererty, is predisposed to radical action. (4) The disciplinary power of the union over its members is strengthened by the use of benefit features. A member of a local union will not withdraw upon slight provocation and thus lose the right to receive valuable benefits. (5) The payment of large benefits has been a feature of trade unions rather than of industrial unions. There is reason to believe that greater difficulties will be encountered in working out a successful system for an industrial union in which are united men of varying skill and intelligence, and of different nationalities. The benefit system of the trade unions may tend, therefore, to emphasize trade demarcations, to increase jurisdictional disputes, and to delay the amalgamation of labor into a strong coherent centralized body. (6) The English unions use the out-of-work benefits as a means of controlling the labor market within a particular trade. A skilled worker who is receiving an out-of-work benefit will not be sorely tempted to take a job at a rate below the standard wage. This policy would have little prospect of success in the case of unskilled occupations.

In estimating the probable development of benefit features among American labor organizations, three points must be kept in the foreground: (*a*) The establishment of a system of workingmen's insurance through governmental action or mandate would prevent, or modify in a considerable degree, the course of further expression of the benefit features of such organizations. (*b*) If industrial unionism increases relatively to trade unionism, the extension of the benefit system will

probably be retarded. (*c*) As a consequence of the decision in the Hatters' Case, unless legislation similar to the English Trades' Dispute Act is passed, unions having full treasuries may fear legal attacks upon their funds in case of a labor dispute. Consequently, aggressive unions may deem it unwise to develop an important system of union benefits.

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CHAPTER VII

COERCIVE METHODS

Strikes and Lockouts. A "strike," according to the definition given by the United States Bureau of Labor, "is a concerted withdrawal from work by a part or all of the employees of an establishment, or several establishments, to enforce a demand on the part of the employees." A strike occurs when wage earners unitedly cease work but attempt to retain their places as employees. The purpose of a strike is usually to obtain some improvement in working conditions or to prevent some change which is considered disadvantageous to the workmen. Occasionally, the primary motive may be malicious. When the employer closes his shop because of a disagreement with his employees a lockout occurs. The difference between a strike and a lockout lies chiefly in the initiation of the action which stops the wheels of the industry. The strike is one of the most formidable weapons in labor's armory. It is not a logical or a just way of settling industrial disputes; it is in essence an appeal to financial or brute strength and endurance.

The slave insurrections of Rome and the peasant wars of medieval Europe were the prototypes of the strike. Some references to strikes are found in the history of the fourteenth, fifteenth, and sixteenth centuries. The earliest strike in America of which we have any knowledge occurred in 1740 or 1741. The journeyman bakers of New York City struck for an increase of wages. The bakers were tried for conspiracy and convicted, but no record appears to prove that sentence was passed upon them. The shoemakers of Philadelphia con-

ducted strikes in 1796, 1798, and 1799. In 1803 a strike of sailors occurred in New York City. The sailors demanded an increase of wages from $10 to $14 per month. In 1809 the cordwainers of New York City went on a strike. The term "scab" was used at this time. During the period of rising prices immediately preceding the panic of 1837 many strikes occurred. The oft-quoted statement of a New York City newspaper in 1835 was that "strikes are all the fashion." A unique strike occurred during this period among the women shoebinders of Lynn. These women were home workers. They called a meeting and resolved that no more work should be done until an increase in wages was granted. After a struggle of about four weeks the strike was lost. These early strikes were not of far-reaching importance. Labor organizations were ephemeral; and the relations between employer and employee were in a large measure personal and bargaining was individual. The strikes of far-reaching influence in which the general public are vitally interested appear at a later date. The first great labor dispute in the United States was the railway strike of 1877. This strike stopped railway traffic and was accompanied by serious rioting and the destruction of property. The center of the disturbance was at Pittsburgh. State troops were called out and gatling guns were used.[1]

No accurate statistics of strikes and lockouts prior to 1881 are available. From 1881 to 1905 the Bureau of Labor furnished carefully compiled statistics of labor disturbances. The Bureau has obtained information regarding 1,440 strikes and lockouts in the period of 1741 to 1881. Of this total only four occurred prior to the opening of the nineteenth century. During the quarter of a century from 1881 to 1905 inclusive, 36,757 strikes are recorded directly affecting 181,407 establishments. The largest number of strikes occurring in one

[1] *Sixteenth Annual Report of the Commissioner of Labor.* Chapter III.

year was 3,494 in 1903. The maximum number of employees thrown out of work is found in 1894, the year in which occurred the Pullman strike. The number was 660,425. In 1902, in which year occurred the anthracite coal strike, 659,792 employees were thrown out of work because of strikes. The total number of lockouts during the period 1881 to 1905 was 1,546; and the number of employees locked out, 716,231. Slightly more than one-fourth of the total number of strikes occurred in the building trades; but nearly one-third of the total number of strikers were in the coal and coke industry. Nearly one-half of the total number of strikes occurred in three great industrial states, — New York, Pennsylvania, and Illinois. Of the total number of strikers involved, one-fourth were in Pennsylvania. More strikes occurred during the five-year period, 1901–1905, than during the preceding decade. The totals are 13,964 and 13,620 respectively.[1] A study of a statistical table of strikes bears out the opinion that strikes are symptomatic of prosperity rather than of industrial depression. The worker makes his demands for a shorter working day, increased wages, and better working conditions when the financial skies are bright. If the attention is directed to the losses in wages and to the number of employees involved in strikes, the validity of this conclusion may be questioned. Professor Farnam, measuring the intensity of labor disturbances by an index obtained by multiplying the number of persons concerned in strikes by the average duration, draws the pertinent conclusion that strikes are the evidence of friction connected with a process of readjustment. "They are, therefore, liable to occur during the readjustment following bad times as well as during the readjustment which comes with rising prices and prosperity."

Causes of Strikes. The following table gives the relative

[1] Statistics compiled from the *Twenty-first Annual Report of the Commissioner of Labor.* Chapter I.

importance of several of the most important causes of strikes as determined by the Bureau of Labor. Such a table must be used with caution because undoubtedly the apparent cause of a strike is often not the real cause, and because almost every strike is the result of a complex of causes rather than of one distinct cause. The following table shows the shifting importance of certain leading and fairly definite causes of strikes:

Cause or Object	*1881*	*1891*	*1901*	*1905*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
For increase of wages	61.15	26.67	29.04	32.24
Against reduction of wages	10.40	10.77	4.34	4.96
For reduction of hours	2.97	4.95	7.01	5.01
Concerning recognition of union and union rules	5.73	14.27	27.98	30.86

The relative increase in the number of strikes caused by controversies over union rules is rapid; and is indicative either of the growing strength of labor organizations or of the increasing antagonism of employers' associations, or of both.

Of the strikes during the period, 68.99 per cent. were ordered by labor organizations. In 1904, a year of industrial prosperity, labor organizations ordered 82.14 per cent. of all the strikes; but in 1895, a year of industrial lassitude, they were responsible for only 54.25 per cent. Of the strikes ordered by unions during the twenty-five years, 49.48 per cent. succeeded, 15.87 per cent. "succeeded partly," and 34.65 per cent. failed. Of those not ordered by labor organizations, the percentages are 33.86, 9.83, and 56.31 respectively.

An examination of the statistics of strikes during the period 1881 to 1905 warrants several interesting conclusions.[1] (1) A rapid absolute increase in the number of strikes has occurred.

[1] Compare with Huebner, *Report of the Wisconsin Bureau of Labor Statistics*, 1905–1906.

(2) The wage rate is losing its importance as a cause of strikes. In 1881, 71.55 per cent of the strikes were attributed solely to this cause; in 1905 the percentage was 37.20. In the year ending September 30, 1907, 98 per cent of the advances in wages reported by the Massachusetts Bureau of Labor Statistics were given without recourse to a strike. (3) The importance of purely union causes of strikes is rapidly increasing. (4) Excepting the year 1905, the number of employees and establishments annually affected by strikes tends to increase. (5) The growing strength of labor organizations is making the strike a more formidable and dangerous weapon. On the other hand, the progress toward centralization in the control of capital gives the employer a position of advantage. The percentage of successful strikes is declining rather than increasing. (6) Strikes are becoming of greater importance to both parties directly concerned, and to the general public.

These conclusions are substantially true of the situation existing a decade and one-half later. The rising level of prices has tended further to emphasize the importance of wages as a cause of strikes. In the big steel strike of 1919, however, recognition of the union was a fundamental point at issue. Recent strikes in key industries like the coal mines and the railways have placed further stress upon the interest of the public in maintaining industrial peace. The right of the public to demand uninterrupted service is being emphasized in the discussion of the strike problem.

Violence Connected with Strikes and Lockouts. Extreme differences of opinion exist as to the prevalence of violence during strikes, and as to the attitude of organized labor toward the use of force in labor disputes. John Mitchel declares that "the conduct of strikes without violence is as advantageous and successful as the use of violence is futile and immoral. In the long run, violence acts as a boomerang

and defeats its own purposes." On the other hand, a champion of the "union smashers" declares: "Organized labor knows but one law, and that is the law of physical force — the law of the Huns and Vandals, the law of the savage. All its purposes are accomplished either by actual force or by the threat of force." The violence occurring during a strike is often exaggerated; and much violence is due to outsiders or to the unauthorized acts of irrepressible members of the union. Under any condition, the presence of large numbers of idle men in a mining town or a manufacturing city is prolific of brawls and of violation of law. Every holiday brings its additions to the normal number of disturbances in a city. Furthermore, it is not fair to hold the union and union officers responsible for all the acts of union men. Newly organized and undisciplined unions of unskilled or semi-skilled men are most prone to resort to violence. Well-organized unions of skilled men, supported by a full treasury, usually discountenance violence. A strike is, however, an attempt to coerce an employer or combination of employers; and close contact between union men and strike breakers always contains elements of danger. "In short, I see no escape from the conclusion that the typical strike is waged in an atmosphere so surcharged with menace, that wide-spread intimidation and sporadic acts of violence are precipitated as inevitably as the atmosphere of the earth precipitates dew."[1]

It must not be forgotten, however, that employers are often as brutal as the union "sluggers"; but in a less conspicuous and more impersonal manner. They are ready, and sometimes eager, to starve their striking workmen, or to terrorize them into submission. The unionist is justified in calling attention to the fact that much is spoken and written as to what the union men should do or not do, while but little is

[1] Adams, *Publications of the American Economic Association*, Feb., 1906, p. 179.

said as to the responsibilities of employers to men locked out, for the use of the black list, for the hiring of private police, and for the eviction of helpless tenants. The employer can often accomplish his purpose in such a way that the motive is hidden. Brutality on the part of the employer may be clothed in the radiant garb of altruism, — not so in the case of the employee. The employer can use more subtle, but just as effective, weapons than the club. Employers, as well as their striking employees, often break laws, — such as the acts in regard to safeguarding machinery, rebating, adulterating products, etc. Bribery and the corruption of governmental inspectors are by no means unknown. The employer often sets the employee an example of law evasion; and then the former too often escapes punishment because of technicalities in legal procedure or through political favoritism. We should not condone strike violence on the part of harassed workingmen, but we should more strongly condemn the long-distant and dispassionate maiming and murder of workers. The man who stuffs the ballot-box, pumps polluted water into water pipes, or refuses to guard his machinery as the law requires, commits a crime just as much as does the workman when he slugs the "scab" who has taken his job. In the McKees Rocks strike (1909), the strikers are reported to have asserted, correctly or incorrectly, that troops had been used to break down their organization. It was further asserted that strikers had been shot down when there was no lawful occasion for shooting. The strikers finally held that a state of war existed, and threatened to shoot a trooper for every striker shot by the state troops.

The intense hatred manifested towards the strike breaker or "scab" is a cause of much violence during the course of a strike. The circumstances which produce this intense aversion are often not clearly recognized. A strike frequently involves the threat, if not the reality, of poverty and suffering

for the families of the strikers. The strike breaker is one who seems to be taking the bread out of the mouths of the wife and children of the striker. Early wars were usually fought for the control of food supplies. A job is the modern source of supply for the mass of the people. It is natural that "Thou shalt not take thy neighbor's job" should be a real, living commandment to the wage earner. It is not strange that the strike breaker should be considered to be an outcast and a traitor to his class. Business combinations hate the price-cutting establishment and often try to injure it. Physicians and dentists are very bitter toward the advertising and fee-cutting members of their respective professions. It may also not be entirely gratuitous to point out (1) that in America there has been much disregard of human life, — much mob violence, many accidents in factories and on railways, many lynchings, and numerous homicides. Human life is valued cheaply in this country. (2) The man who is accustomed to face danger in the shop, on the railway, or in the occupation of a linesman is not likely to be adverse to the use of violence when his passions are aroused.

Losses due to Strikes and Lockouts. The Bureau of Labor estimated that the total loss due to strikes and lockouts during the period of twenty years from 1881 to 1900 was approximately $469,000,000. This is a large sum; but it amounts to an expense of only about three cents per month per inhabitant of the United States. The workingman has spent less than one per cent. of his income on strikes. The total loss in unemployment amounts to approximately 194,000,000 days; but spread over the entire period of two decades it amounts to less than one day per year per adult worker.[1] It is not difficult to exaggerate the financial losses due to strikes. Frequently the time of unemployment is merely shifted from one season of the year to another. The following statement

[1] Mitchell, *Organized Labor*, pp. 309–310.

from the Report of the Industrial Commission is to the point: "Very many establishments find it impossible, because of insufficient demand for their products or for other reasons, to operate continuously. The employees by striking may so reduce the product for the time being that during the remainder of the year the establishments will be active, and idleness which might otherwise have occurred for other reasons will be avoided." [1] The most significant losses, however, are frequently in other industries dependent upon the industry in which the strike occurs. The greatest losses from the coal strike of 1919 were in connection with the shutdowns and the resultant unemployment in many lines of business dependent upon a coal supply. A railway strike will very shortly disorganize the industry of many cities and districts. The losses direct and indirect of strikes in key industries are enormous.

New Aspects of Strikes. The growth of large-scale industry, of trusts, and of employers' associations which are firmly knit together, affect the efficacy of the strike as a weapon of organized labor. In the days when competitors were many, strikes were often terminated because the employer feared that some of his business would be permanently absorbed by his competitors and that his business would suffer not only during the strike, but after its termination. In many of the leading industries, centralization has proceeded so far that this fear is largely removed. The strike, producing a scarcity of supply, may even tend to augment instead of to diminish profits, — prices will go up and perhaps wages may be forced down. If profits are endangered, some concessions can be given the workmen and prices can be raised. A single competing firm cannot accomplish this feat, but the big combination can and frequently does. Statistics indicate that higher average wages are paid by large corporations than by smaller firms. The ability to boost prices in case of wage advances

[1] Vol. 19: 874–875.

may partially account for the prevalence of the higher wage rates in industries controlled by large establishments. The trust or the establishment which is not harassed by strong competitors may face, therefore, a strike with a very different attitude from that of a small firm competing with many others. (1) It may prolong the struggle with little fear from competitors; and raise the price of the stock of goods on hand, or book orders for future delivery. (2) Or it may grant higher wages, and make the concession an excellent excuse for permanently raising the price of its products. The advent of the trust and the growth of large employers' associations may so reduce the importance of the strike as a weapon of labor organization that some other instrument will be utilized. Undoubtedly the time has not yet arrived when labor can with safety give up the strike unless the employer also relinquishes the right of arbitrary discharge; but there is reason to believe, as will be indicated in another chapter, that political activity on the part of labor is to be of increasing importance in the future. In the case of public employment in a country where manhood suffrage is granted, a strike among the organized male employees is unnecessary, unless, of course, the demands of the majority are smothered by corruption or improper political manipulation. That the organization of public employees is beneficial to the workers has been demonstrated by the Post-Office Clerks' Association; and, if their demands are reasonable, the mass of the laboring people may be expected to support the public employees with their votes. In public employment, the pressure of competition is absent, and the economic forces which cause the private employer to resist a grant of increased wages or of a shorter working day are not active. Strikes occasionally occur in public employment. In 1903 the government railways of Victoria were tied up on account of a strike; railway strikes have occurred in France. A strike of the Boston policemen took place in 1919.

The strikes occurring before the Civil War and even before the last decade or two were spontaneous outbursts and were conducted in an unsystematic manner. During the Civil War few, if any, sympathetic strikes occurred; and the employees in each shop usually resumed work when a satisfactory agreement was concluded with their employer irrespective of the situation in other shops. In recent years the strike has been "commercialized"; it is now conducted in a systematic manner. Preparation is made for it in advance. Money is accumulated in the treasuries of unions and of employers' associations for strike purposes. Picketing and boycotting are systematically carried out by the strikers; the employers have their army of strike breakers and spies. The strike of the first decade of the twentieth century is as different from that of 1835 as modern military tactics differ from tribal warfare. "The serious development of the century is the systematization of the boycott and the blacklist, the constant and fairly successful effort of trade unions and employers' associations to improve and perfect their respective weapons of coercion, to give them a legal status and transform them — as the relatively innocuous pool was transformed into the more menacing holding corporation — into lawful instruments which are doubly oppressive, because doubly efficient, by reason of their very validity. Both sides are incessantly planning to perfect and legalize coercion and monopoly." [1]

A strike is essentially a class struggle; but the ethics of the strike are essentially the ethics of war or of the feud. No matter whether the local police, state militia or constabulary, or the regulars of the United States army, are used in maintaining order and in enforcing the law during a strike, the striking workers almost invariably feel that they are inequitably treated. The workers evidently reach the

[1] Adams, *Publications of the American Economic Asso.*, Feb., 1906, p. 192.

conclusion that the government does not adequately represent their interest in a time of industrial conflict. The editor of a well-known weekly advocates placing strike police under the control of a commission upon which both employers and employees are represented. This step would tend to prevent the recurrence of the charge of prejudiced control of the guardians of law and order.

Early strikes were initiated, controlled and financed by locals. In harmony with the general trend toward centralization of control in labor organizations, the tendency has been to give the national officers more and more authority in regard to strikes. This trend is especially clear in organizations in which strike benefits are paid by the national body. Many national unions require the locals to make definite efforts to adjust the difficulty before applying to the national officers for sanction of a proposed strike. A representative of the national union is usually sent to the scene of the difficulty.[1] Sabotage is a sort of "diluted" strike; the men remain at work and receive wages, but reduce output, injure machinery, clog the transportation system, impair the quality of the product, or perform some other discreditable act for the purpose of harassing the employer. It is difficult to draw a line between the more passive forms of sabotage and restriction of output. In fact, both employers and employees often practice the kind of sabotage which restricts output. Sabotage is advocated chiefly by radical unions; it is essentially the weapon of the slave or of the coward.

The Boycott. The boycott may be divided into three classes: the simple boycott, the compound boycott, and the unfair list. In the simple boycott only the persons directly interested are involved. The members of a union may refuse to buy an article produced by a firm declared to be "unfair" to union labor. The compound or the secondary boycott involves third

[1] Janes, *The Control of Strikes in American Trade Unions.*

parties who are not directly interested in the dispute. The term boycott usually refers to the compound boycott. If the members of the union mentioned above refuse to patronize a merchant who handles along with other merchandise the product of the boycotted manufacturer, the boycott is said to be compound. Again, if the members of the union persuade or coerce others into refusing to buy the product of the boycotted manufacturer or of the merchant who sells the former's goods, the boycott is compound. The Court of Appeals of the District of Columbia defined the boycott as "a combination to harm one person by coercing others to harm him." The compound boycott may become one of the most cruel and indefensible weapons of organized labor. Some years ago a street car strike occurred in one of our industrial cities. Women who had ridden on street cars manned by non-union crews found it difficult to buy groceries and medicines in the section of the city in which they resided. Store-keepers were warned by watchful pickets not to sell to them under the penalty of a boycott.

The success of a boycott depends upon the solidarity of organized labor and upon the ability to spread the knowledge of the boycott far and wide. The boycott succeeds best when it is directed against articles of wide use among the masses of the people, — tobacco, beer, baked goods, the cheaper kinds of clothing. "In the brewing industry the boycott is an especially good weapon because the male workers, who are the best organized, have the decision in the matter of purchasing." The Brewery Workers have used this weapon effectively in several bitterly contested labor disputes. The boycott in their hands was such a powerful weapon that it reacted so as to increase the membership of the brewery workers' union. Employers have in some cases urged the "unionization" of their plants in order to avoid the effect of the boycott. As a consequence of this unusual situation the solidarity of the brewery workers is not

as great as it would be if the men had joined because they felt the necessity of unionization.[1]

The unfair list is usually a list of manufacturers and dealers who are considered to be unfair to organized labor. The list is published in various labor papers. The intent is to warn the readers against purchasing the goods produced or sold by the firms included in the list. A fair list is the reverse of the unfair list. The fair list is not legally recognized as a form of the boycott.

The Attitude of the Courts Toward Strikes and Boycotts. The rights of wage earners to collectively quit work, to picket the establishment of their employer, and to boycott the products of his establishment encounter two important obstacles in the courts: (1) Such acts may be declared to constitute a conspiracy under the common law or an interference with private property rights; or (2) they may be declared to constitute interference with interstate commerce and to be illegal under statute law. Perhaps the most commonly accepted definition of a conspiracy at common law is that "a conspiracy must be a combination of two or more persons, by some concerted action, to accomplish some criminal or unlawful purpose, or to accomplish some purpose not in itself criminal or unlawful, by criminal or unlawful means." Originally the strike was considered to be a conspiracy by the English courts, and certain early decisions of American courts adhered to this doctrine of the common law. This attitude was finally abandoned in both countries. Several states have by statute modified the common law doctrine of conspiracy in so far as it concerns labor organizations. A combination to raise wages was taken out of the category of conspiracies by the courts; but a combination to raise prices still remains in that category. The general rule under the

[1] Schluter, *History of the Brewing Industry and the Brewery Workers' Organization*, pp. 275–276.

common law is, briefly stated, that strikes are lawful if the purpose is primarily to improve the working conditions. If the primary purpose is to injure the employer, that is, if the intent is malicious, the strike is illegal. All strikes may cause the business of the employer to be injured, but if the injury is a secondary or incidental result of the strike it is generally held to be a lawful exercise of the rights of a combination of wage earners. The determination of the intent is often extremely difficult. The sympathetic strike is probably unlawful. The courts are not easily convinced that the interest of working men in one establishment in the affairs of those in another establishment is sufficiently direct and immediate to warrant an additional strike which interferes with business and adversely affects the welfare of the community. As a rule, a strike to cause the discharge or to prevent the employment of non-union men is held to be unlawful. A New York decision is to the effect that a combination of workingmen to prevent certain objectionable persons from working in a given district is a criminal conspiracy. An Illinois decision given in 1900 declared that injunctions will be granted in case of threatened strikes for the purpose of securing the discharge or to prevent the employment of non-union men. A minority report of the Commission on Industrial Relations, written by Professor Commons, advocated the enactment by state legislatures and by Congress of laws definitely legalizing the closed shop, the strike and lockout, boycott and blacklist, picketing and strikebreaking. The theory was that the settlement of labor disputes by courts would sooner or later force the courts into politics. Strong labor organizations and powerful employers' associations were held to be desirable to check each other. The Manly report signed by four of the nine members of the Commission also agreed that these practices should be clearly legalized.

Certain qualifications in regard to the attitude of the courts must be noted. These qualifications appear to be of increasing importance, and are due to the passage of statutes or to the extension by court decisions of the police power of the state. It has been held that quitting work under certain peculiar circumstances is unlawful. In such cases unusual danger to life and property are involved. Under the statute law of New York, a person or combination of persons, wilfully quitting work while under contract to continue, is guilty of a misdemeanor provided the refusal to keep the contract endangers life or property. In some Southern states, for example Mississippi, it is a criminal offense for a laborer or renter under contract to perform certain services, and to whom money or supplies have been furnished, to break his contract unless all sums advanced are returned. Such an act is held to be *prima facie* evidence of intent to defraud, and may be punished by fine or imprisonment, or both. As a rule, however, employees violating a labor contract are subject only to civil action for damages. In Great Britain a person, or a combination of persons, quitting work while under contract to continue, may be punished if such act exposes persons or property to the risk of serious injury.[1] There is reason to believe that strikes on the part of railway employees, of sufficient magnitude to tie up an important system, to obstruct interstate commerce, or to interfere with the United States mail, and to endanger the welfare of many people and various communities, are unlawful under the United States statutes relating to interstate commerce and the mail service, and under the Sherman Anti-Trust Act.[2] It is not lawful for a railway employee to abandon his engine while *en route* to its

[1] Bolen, *Getting a Living*, p. 708, foot-note.

[2] *Report of Industrial Commission*, Vol. 17: cxx–cxxi; 54 *Fed. Rep.*, p. 803; 62 *Fed. Rep.*, pp. 803, 821. For different interpretation, see Adams and Sumner, *Labor Problems*, p. 195. See Johnson, *American Railway Transportation*, pp. 396–401 (2d edition).

regular destination. Employees while remaining in the service are required to perform their regular services. A refusal, for example, to haul the cars of another company in order to give assistance to strikers is unlawful. The railway and public service corporations of various sorts are peculiar industries. The welfare of the general public is seriously affected by any long-continued interruption of the service. The growth of trusts which control the necessities of life is pushing them into the same category. The attitude of the public and of the courts toward strikes in those industries will be modified because of the far-reaching effect of a labor dispute. Advocates of compulsory arbitration in particular industries are not lacking. It is urged that a group of employees must give up their right to strike in the interests of the larger group — the general public.

Picketing is accomplished by stationing pickets near the establishment of the employer for the purpose of persuading or coercing non-union men from taking the places of the strikers. Peaceful picketing is lawful under the common law. As a matter of actual practice picketing is unlawful. The courts hold that picketing almost inevitably involves physical intimidation and fear. In the language of our court, "there may be threats, intimidations, molestations, and obstructions, without there being any express words used by which a man could show violent threats toward another or any express intimidation." The courts recognize that picketing almost inevitably creates "an atmosphere unsuited for 'scabs.'" At least two states, Washington and Colorado, have passed statutes expressly prohibiting picketing. The English Trades Dispute Act of 1906 legalized peaceful picketing.

In the case of Iron Workers' Union *vs.* Allis-Chambers Company in the United States Circuit Court of Appeals a very interesting decision affecting the right to picket and to

strike was handed down.[1] When the breaking of a contract is not involved, the court ruled that the laborers have the right to persuade, but not to coerce, other workers. The court recognized the existence of a struggle between employers and employees for shares in the joint product of labor and capital. After the strike was declared the Allis-Chambers Company sent patterns to other foundries. The strikers then induced molders working for other firms to refuse to do this work. Such refusal was held to be lawful. In the opinion of the court the employer had the right to seek the aid of other foundrymen, and likewise the workers had the right to seek the aid of the molders in order to prevent the attainment of that end. Employers, in the judgment of the court, may lawfully coöperate and combine to control the supply and conditions of labor necessary to do that work. Picketing of all kinds has been condemned "by the supreme courts of Illinois, Michigan and New Jersey and in several federal courts."[2] Federal Judge Killets in the Ohio Telephone Company case in 1917 appears to hold that there may be peaceful picketing. The Kansas City Court of Appeals declared that workers on a strike "have a right to post men near by to quietly and peaceably persuade other workmen not to take their places."[3]

The legal status of the boycott is not fixed beyond controversy. The decisions are somewhat conflicting. Under the common law the legality of the boycott, like that of the strike, depends upon the intent. If the intent is malicious, the boycott is held to be unlawful. Many states have statutes referring to the boycott by name or by implication. There is no federal law dealing specifically with boycotts; but boycotts have been declared illegal by the federal courts under

[1] 166 *Fed. Rep.*, p. 45. *Bulletin of the Bureau of Labor.* No. 83: 157 *et seq.*
[2] Commons and Andrews, *Principles of Labor Legislation*, p. 110.
[3] *Bulletin of Bureau of Labor Statistics.* No. 169, pp. 332–334.

the Anti-Trust Law and the Interstate Commerce Act. In the Danbury Hatters' case, for example, a labor organization was penalized under the Sherman Anti-Trust Act for interfering with interstate commerce by means of a boycott. Frequently a distinction is drawn by the courts between the primary and secondary boycott. The primary boycott is sometimes held to be legal providing coercion is not used. The secondary boycott is usually held to be illegal. As this is the most frequent form, the word boycott, when used in legal decisions, as a rule, has reference to the secondary boycott. A recent decision of the Supreme Court of California clearly breaks away from the mass of legal precedents. The court declared, as do labor leaders generally, that the distinction between the primary and the secondary boycott was immaterial. The boycott was declared to be legal as long as the union used "fair means" to induce third parties to cease patronizing the boycotted firm.[1] On the contrary, an older Michigan decision declared the boycott to be a form of coercion. The peaceful boycott was held to be unlawful and enjoinable. The presence or absence of threats or coercion is the determining factor. Very few decisions have been rendered in regard to the unfair list. In the famous Buck Stove and Range Company case the courts of the District of Columbia held the unfair list to be unlawful. The officers of the American Federation were ordered to cease printing the name of the firm in the "We don't Patronize" column of their official journal. A Missouri decision stated that the "boycott circular" is legal. The California decision, mentioned above, intimated that the unfair list was legal. Alabama has placed a law upon her statue books declaring the unfair list illegal.

The legality of the secondary boycott and the unfair list also hinges upon another disputed point. May an act which is lawful when performed by one individual, become unlaw-

[1] 103 *Pacific Rep.*, p. 324. *Bulletin of Bureau of Labor.* No. 86: 334 *et seq.*

ful when performed by a group of persons acting in a concerted manner? The English Trades' Dispute Act amended the law of conspiracy in that country so that no action will stand against a combination performing acts which are legal if performed by an individual. Chief Justice Shepard of the Supreme Court of the District of Columbia in a dissenting opinion in the Buck Stove and Range Company case held that the provisions of this act were now generally accepted as the common law doctrine in this country. In June, 1908, the Supreme Court of Montana rendered the following opinion. "But there can be found running through our legal literature many remarkable statements that an act perfectly lawful when done by one person becomes, by some sort of legerdemain, criminal when done by two or more persons acting in concert, and this upon the theory that concerted action amounts to conspiracy. But with this doctrine we do not agree."[1] Other eminent legal authority may be found accepting a very different doctrine. Justice Holmes and Justice Harlan of the United States Supreme Court have indicated in decisions that concerted efforts may be adjudged unlawful although the same act performed by one person may be recognized as lawful.[2] Labor leaders insist that mere numbers do not affect the quality of an act. If it is lawful for one man to withhold his patronage from a dealer and to advise his friends to do likewise, they urge that a group of men have the same rights. The opposing legal opinions seem to be influenced by the idea that the mere force of numbers introduces an element of menace and coercion absent in the case of a single person; and that an "unwarranted interference with the natural course of trade" may follow. A resolution adopted in 1905 by the American Federation of Labor

[1] Lindsay & Co. *vs.* Montana Fed. of Labor. See *Political Science Quarterly*. Vol. 24: 86.

[2] See *Bulletin of the Bureau of Labor*. No. 74: 250–251; also 110 *Wisconsin*, p. 189.

furnishes a reasonable basis for such an opinion. "We recognize the fact that a boycott means war, and to successfully carry out a war we must adopt the tactics that history has shown are most successful in war."

The trade boycott directed by one group of employers against another employer or group of employers is given more favorable consideration by the courts than is one directed by labor organizations. A Pennsylvania decision was to the effect that employers may lawfully combine to resist an advance in wages and may refuse and advise others to refuse to sell to parties conceding such an advance. A New York court maintained that the "refusal to sell to dealers who will not maintain a uniform price is not an actionable boycott." Other courts have held the trade boycott to be illegal.[1]

The usual remedy of the courts in the case of a decision against the boycott or the unfair list is the injunction. The use of the injunction is a conspicuous factor in recent legal proceedings in connection with labor disputes. In such cases an injunction is a command by a court exercising equity jurisdiction that certain persons refrain from doing certain specified acts. A violation of the order may be punished as contempt of court by fine or imprisonment. Trial by jury is not allowed. The judge issues the order, determines whether the order has been disobeyed, and fixes the penalty for disobedience. The executive and the legislative branch have practically been stripped of the power to inflict punishment upon those who disobey their mandates; but the judicial arm of government still clings to that right.[2] Organized labor demands that the extraordinary equity powers of the courts be reduced and that trial by jury be allowed in contempt of court proceedings. The constitution of Oklahoma provides that every

[1] *Report of the Industrial Commission.* Vol. 17: cxix, 591.

[2] For an excellent discussion of this point, see Smith, *The Spirit of American Government,* pp. 117–119.

person accused of violating an injunction out of the presence of the court shall be entitled to trial by jury.

The Clayton Anti-Trust Act, passed in 1914, contains certain significant clauses relating to labor. The full import of this legislation will not be apparent until further interpreted by the courts. It is probable, however, that this act will not make essential changes in the legal status of labor organizations. Labor leaders have been insisting that labor is not a commodity, and that a labor organization is not a trust. Accordingly labor organizations ought not to be attacked under the anti-trust laws. The Clayton Act specifically states that the "labor of a human being is not a commodity or article of commerce." The power to issue injunctions in case of labor disputes is circumscribed by the Clayton Act. Among other things, no person or persons shall be restrained by injunction "from doing any act or thing which might lawfully be done in the absence of such dispute by a party thereto." The legality of an act performed in a labor dispute, therefore, hinges upon its legality in the absence of any dispute. Several states have enacted laws quite similar to this federal act. The Clayton Act does not change in any material way the laws relating to conspiracy. A decision in the U. S. Circuit Court of Appeals is to the effect that the Clayton Act legalizes the secondary boycott.[1] In the Hitchman Coal Company case decided by the U. S. Supreme Court in 1917, the Court sustained an injunction against the United Mine Workers. The union was ordered not to attempt to unionize the Hitchman mines. This company required employees to sign contracts not to join a union while in the pay of the company. The case entered the lower courts before the passage of the Clayton Act. A similar decision was handed down on the same day in the Eagle Glass Company case.[2]

[1] *Bulletin of the Bureau of Labor Statistics.* No. 258, p. 111.

[2] *Bulletin of Bureau of Labor Statistics.* No. 246, pp. 145–153.

The most famous cases of the use of the injuction in labor disputes are the Debs case in connection with the railway strike of 1894 and the Buck Stove and Range Company case in which three high officials of the American Federation of Labor — Samuel Gompers, John Mitchell, and Frank Morrison — were sentenced to imprisonment for disobeying the orders of the court. The former difficulty originated in the works of the Pullman Car Company and spread as a sympathetic strike to nearly all the railway lines radiating from Chicago. The general public was greatly inconvenienced, interstate commerce was interfered with, and the mails were delayed. Much violence and destruction of property accompanied the strike. A "blanket" injunction was issued by a federal court enjoining the officers of the American Railway Union and "all other persons" from interfering with the transportation of the mails and with the flow of interstate commerce. Disobedience of this inclusive order was punishable as contempt of court. Interference with the transportation of the United States mail is a crime under the federal statutes, but the accused under the statute law would be allowed a trial by jury.

The Buck Stove and Range Company became involved in a dispute with the molders employed by the company. A strike followed and a boycott was instituted against the products of the company. *The American Federationist*, the official organ of the American Federation of Labor, included the name of this firm in its "We don't Patronize" list. It was held that the officials and members of the Federation had acted concertedly against the company for the following purposes: (1) to bring about a breach of the company's contracts with others; (2) to deprive the company of property (good will in business) without due process of law; (3) to restrain trade among the several states; and (4) to restrain commerce between the several states. (1) and (2) were held to consti-

tute conspiracy under the common law; and (3) and (4) to be actionable under the statute law, — Sherman Anti-Trust Law and inter-state commerce acts.[1] A sweeping injunction was granted in the courts of the District of Columbia forbidding the officers and agents of the Federation from interfering in any way with the business of the company; from printing and distributing copies of *The American Federationist* or any printed or written instrument "which shall contain or in any manner refer to the name of the complainant, its business, or its product in the "We don't Patronize" or the "Unfair" list; from calling attention "in writing or orally" to the boycott against the firm.[2] Three officers of the Federation were declared to have violated the injunction and were sentenced to imprisonment for terms of one year, nine months, and six months respectively. This judgment was reaffirmed by the Circuit Court of Appeals, although the terms of the injunction were slightly modified. One judge dissented.

The case was then taken to the United States Supreme Court. The sentenced men were not imprisoned pending the final action of the highest court of the land. In July, 1910, the president of the company having died, it was announced that a settlement of the differences between organized labor and the company had been made; and that all legal action on the part of the company against the Federation would be withdrawn. Lawyers for the American Anti-Boycott Association, which was associated with the company in the suit and had "borne the entire expense" of it, announced that the case would not be dropped.[3]

An interesting dissenting opinion of a circuit court judge in Northwestern Ohio is worthy of notice. A hotel in Toledo

[1] See *Bulletin of Bureau of Labor*. No. 80: 128.

[2] *Ibid.* No. 74: 254.

[3] After a long period of litigation this case was dismissed by the Supreme Court upon a technicality.

became involved in a dispute with some of its employees who were members of a local union of the Hotel and Restaurant Employees, and was declared to be "unfair." Members of the union picketed the hotel and requested people not to patronize its bar or restaurant. Printed cards were distributed upon the public streets calling attention to the boycott. A common pleas court judge refused to grant an injunction restraining members of the union from picketing the hotel and attempting to dissuade people from patronizing it. The case was then taken to a higher court; and the Circuit Court in January, 1911, granted the permanent injunction demanded by the hotel proprietor. But one of the three judges dissented most emphatically "I want to say," declared the judge in his opinion, "with all the seriousness and emphasis at my command, that in my humble opinion the reckless use of the writ of injunction is itself producing an injury which may well be described as 'irreparable.' I refer to the impairing of the confidence of the people generally in the courts. We have certainly reached the danger line. . . . In my opinion, no court in Ohio has the power to restrain, by injunction, the liberty of speech or of the press. . . . . It is a fact that practically all of the encroachments upon the right of free speech and a free press, up to date, have been made by the courts themselves — the sworn defenders of the constitution."

The injunction is extremely important because it involves (1) a denial of the right to trial by jury in case the injunction is disobeyed. The frequent resort to the injunction gives ground for the suspicion that the injunction is often merely a subterfuge for avoiding a jury trial. (2) It led in the Buck Stove and Range Company case to an apparent denial of the right to print certain facts, thus interfering with the freedom of the press guaranteed by the first amendment to the federal constitution. (3) The constitutional right to freedom of speech is also apparently denied in certain cases. The court's

answer to this plea that the constitutional guarantee of freedom of press and speech are impaired is as follows: "Whatever in writing, print, or speech violates a legal right of another is unlawful," . . . . consequently, "it ought to be enjoined in advance, if" . . . . it "so invades rights of property as that the law affords no remedy adequate to compensate for the results," or if a good name may be "rescued from preconceived despoilment." [1] (4) In the fourth place, it is generally conceded that a business may be lawfully injured by competition, or by the exposure of facts relating to the conduct of the enterprise. It is not, however, beyond the bounds of reason to inquire: Do the decisions in the boycott cases, known as the Buck Stove and Range case and the Danbury Hatters' case indicate that the exposure of facts as to a business may be adjudged unlawful? Has a person or a combination of persons the lawful right to make public the fact that conditions in a factory or a store are insanitary? The business will be injured and the flow of interstate commerce may be modified. If a true statement is sent broadcast that a grocer doing an interstate business keeps whisky for sale in his basement or that he mixes sand with the sugar which he offers for sale, could the grocer obtain an injunction restraining the circulation of such statements? Is the right to do business a property right? Labor leaders are not alone in their attitude of opposition to the gradual increase in the power of the courts through the use of the injunction. The matter is worthy of very careful consideration by all friends of democracy.

The Blacklist. An association of employers may prepare and circulate a list of employees who have gone on a strike or who have been discharged because of activity in labor organizations. Men whose names appear on such a list will not be employed by members of the association. This practice

[1] *Bulletin of Bureau of Labor.* No. 80: 137.

is known as blacklisting. The blacklist is the employers' boycott of the worker's commodity, — labor. A clearance card is a written statement given to employees at the time they leave a given establishment. This card may also be used as a means of blacklisting. Some employers' associations maintain a sort of "employment bureau" in which are registered the names of the employees of the various members of the association, together with a more or less complete history of the working career of each employee. When new employees are desired the records of the bureau are studied. This practice is "whitelisting." The whitelist is a "negative boycott." It corresponds in a measure to the fair list of the unions. In practice, whitelisting and blacklisting are reduced to a common denominator.

Nearly all states in the United States have attempted to prevent blacklisting by statutory provisions. The enforcement of these statutes is extremely difficult. It is difficult to gather definite information as to the circulation of such lists; and so many plausible reasons may be given for not employing a workman who is actually blacklisted. "Though there are more statutes directly aimed at blacklisting than at boycotting the courts do not recognize the illegality of blacklisting as clearly." The courts have held railway clearance cards to be lawful instruments; but the legality of the whitelist is not determined.[1] A New York court has ruled that a trade blacklist is not unlawful. A United States statute forbidding an employer engaged in interstate commerce to discharge an employee, because of membership in a union, was declared unconstitutional. A federal circuit court ruled that an employer has a right to keep a book containing the names of employees discharged because of membership in a union, and that he may lawfully invite inspection of the book by other employers.[2]

[1] Huebner, *Blacklisting*, p. 19.

[2] *Bulletin of the Bureau of Labor*. No. 50: 202–204.

An Oklahoma statute provides that upon request of a discharged employee, the manager of any public service corporation, or contractor working for such corporation, is required to issue a letter giving a true statement of the cause of discharge, etc. Very precise regulations are given as to the paper used, the place of signature, and the use of any characters which might convey secret intelligence. In Georgia, an act similar to the Oklahoma law was declared unconstitutional; while in Texas such legislation has been held to be valid. The English courts follow, with slight modifications, the common law as to conspiracies when dealing with the blacklist. Its legality may be said to depend upon the intent.

The Union Label. The union label is a mark adopted by a labor organization and placed upon the products made by its members. Its use furnishes an easy method of discriminating between union-made goods and the products of non-union, child, or convict labor. Through the use of the union label the wage earners are organized as consumers as well as producers. The wise use of the consuming power by the families of union men will hasten the growth and increase the efficiency of organized labor. The workingmen form a very important class of consumers. By directing their demands into proper channels, conditions of labor may be greatly ameliorated. The demand for the product of the workers in a trade depends upon the wages and conditions in other trades. If the workers in one trade persist in purchasing goods which are produced under sweated or "unfair" conditions, the consuming power of the workers in the other trades is reduced. As a result, the demand for the products of the workers in the first trade is also reduced, and they are indirectly, but none the less surely, made to feel the results of their own short-sighted action. It has often been stated that "half of the battle of union labor would be won if only the union man and his wife would in every instance insist on the label on

everything they purchase." Another argument is used for the purpose of reaching a wider circle of consumers. It is maintained that union-made goods are produced under sanitary conditions and will not carry infectious diseases.

Labor organizations have not as yet effectively utilized their latent power in this connection. The members of labor organizations could do much toward preventing scamping and adulteration. The powerful unions in the building trade might do much toward preventing violations of the building laws in cities. The wage earners live in many buildings which are improperly constructed; and often pay the penalty for faulty construction. The producer — the workman — by neglecting to oppose bad work injures his brother unionist who consumes the product. The consumer of almost any product is obliged to grope in the dark in regard to the quality of his purchases. His dependence upon the word or the reputation of the maker or the seller is often almost complete. If the union label always stood for good workmanship, quality as represented, and obedience to legal requirements; it would come to the consumer as a welcome ray of light through the darkness of uncertainty and misrepresentation. It would not be impossible to make the union label, "organized labor's most powerful weapon." Organized labor might furnish an effective check upon certain varieties of graft, as, for example, in connection with public or private buildings. Graft is primarily a disease of the commercial world, the world of buying and selling, as distinct from the world of production.

The union label originated in the United States; and its use is almost entirely confined to this country. It was first used by the cigar makers in 1874. The opposition to cheap labor seems to have been a factor in causing its adoption. Many trades now use the label. In the "union label gallery" of a labor paper are noted the facsimiles of thirty-nine labels.

Among these are the labels of the United Hatters, the Glove Workers, the Bread Bakers, and the Wood Workers. Labor leaders are making a campaign of education in regard to the label. In 1904, the American Federation of Labor offered cash prizes for the best essays on the history and use of the label. At the Toronto meeting of the Federation in 1909, resolutions were adopted recommending that all affiliated unions introduce into their initiatory, opening, and closing ceremonies, some reference to the desirability of purchasing products bearing the union label. In 1918, the committee on union labels declared that "we cannot too strongly impress upon our fellow-workers the need of a continual and persistent demand for union made goods. Union labor is morally bound to support union labor, and one of the most practical ways to do this is to spend money earned under union conditions only for commodities made and distributed under union conditions. Be consistent and practice what you preach." In 1919, 51 labels and 10 cards were issued by organizations affiliated in the American Federation of Labor; and one of the five departments was the Union Label Trades Department. The union label is legally not a boycott, and its use is lawful.

Typical Strikes. In the late Carroll D. Wright's book entitled, *Industrial Evolution of the United States*, and published in 1895, the "historic strikes" considered are, with two exceptions, directly connected with the railways of the nation. The two exceptions are the telegraphers' strike of 1883 and the Homestead strike in 1892. The three most important strikes before the opening of the present century were the railway strike of 1877, the Homestead strike, and the railway strike of 1894. Each of these strikes was marked by dangerous rioting and by the destruction of property. State militia were used in each case, and United States troops in the strike of 1894. The strike of 1877 made the people of the United

States realize for the first time that strikes and other disputes between labor and the newly-formed aggregations of capital presented problems of national importance. In the strike of 1894 the right of the federal government acting under the anti-trust, the interstate commerce, and the postal laws to intervene in the case of strikes and boycotts, was for the first time clearly asserted.

In the anthracite coal strike of 1902, a well disciplined union, composed of men of various nationalities and degrees of skill was so controlled that the amount of violence was comparatively small. The stoppage of the source of supply of a necessity in the homes of hundreds of thousands of people made this local strike of personal importance to the citizens of the nation. President Roosevelt used extra-legal authority to bring about a settlement in order that the coal bins might be filled. In the State of New York, the democratic party went on record through their party platform as favoring government ownership of coal mines. The mining troubles of Colorado, culminating in the Cripple Creek strike of 1903–1904, occurred in a community not far removed from frontier conditions, yet industrially organized ahead of its time. The admixture of foreign elements in the Western Federation of Miners was not important, but class lines were strictly drawn. Mining was the basic industry; when "mining ceased, business ceased." The entire community was forced to align itself on one side or the other. In the mining district of Colorado, a bitter class struggle — true industrial warfare — took place. Strong class-conscious labor unions faced as strongly class-conscious employers' associations; and the citizens and the local and state governments were forced into the struggle. "There do not lack of indications of a general current sweeping the entire nation to such a final issue. . . . It may well be that in the throes of the Cripple Creek conflict lie auguries of the future, lessons for both parties to the

strife, and for the 'powers that be' in state, in county, and in town."[1]

The Great Lakes Dispute between the various seaman's unions on the Great Lakes and the Lake Carriers' Association caused a strike which began in 1909 and continued through 1910. The passenger lines were not involved in the dispute. The conflict hinged on the open shop principle. The organized employers were determined to enforce the open shop; they refused to confer with the representatives of organized labor. The efforts of the National Civic Federation and of several state boards of arbitration were unavailing. In order to effectively carry out the open shop policy the employers proposed a "welfare plan." Each seaman upon payment of fee of one dollar, receives a discharge book. At the beginning of the season, the seaman must deposit this book with the captain of the vessel. At the end of the season, it is returned to him for use next season with an entry "fair" or "good," unless the captain is dissatisfied with the work of the seaman. In the latter case, the book is returned to the Lake Carriers' Association. This system, called in derision the "hell-fare" plan, is evidently well calculated to allow the employers of seamen to weed out all union men and to increase the subserviency of their employees. It is in reality a gigantic black list, although in theory it is a white list. The President of the Lake Carriers' Association has stated, however, that the plan was devised "with the firm belief and conviction that it was in the interest and for the benefit of the men employed to join it. . . . We have men employed who are not members." The Great Lakes struggle is symptomatic of the growing antagonism between certain employers' associations and labor unions; the fundamental aim of the Lake Carriers' Association is to stamp out unionism among the employees of its members.

[1] Rastall, "The History of the Cripple Creek Strike," *Bulletin of the University of Wisconsin.* 1908.

The McKees Rocks strike in the Pressed Steel Car Works was a strike possessing very different characteristics than any preceding important American labor dispute. The company's force consisted of about 1,200 skilled mechanics and about 3,500 semi-skilled and unskilled workers, of whom the majority were immigrants from various European countries. The treatment accorded these workers by the company was little short of inhuman; at last the unorganized and undisciplined horde suddenly struck. One investigator stated that "it was simply a united claim on the part of unskilled, ignorant 'Hunkies' for justice, and the Americans stood with them." After the strike began, the men were organized, a fair degree of order was maintained, and the task of financing the strike performed in an efficient manner. A spirit of solidarity among the wage earners was manifested which indicates that industrial unionism is an aggressive and efficient form of labor organization. The company, at first defiant, finally yielded. The strikers were taken back, and some concessions were granted. The "first great woman's strike" occurred in New York City in the winter of 1909-1910, among the shirt-waist makers. This was a strike of women in an occupation within what has been traditionally called "woman's sphere"; and it was a strike involving women of several different nationalities. Women were fined and sent to the workhouse by city judges for picketing. The strikers published and circulated rules in regard to lawful picketing. Women pickets were attacked by "prostitutes paid high for stirring up trouble with the pickets."[1] The Women's Trade Union League, certain wealthy women, and young college girls aided the working women in the fight. After about three months the employers gave up the struggle and conceded practically all that the workers demanded. The employers, members of the Associated Waist and Dress Manufacturers, had refused

[1] Sumner, *The Survey*. January 22, 1910, p. 553.

to arbitrate the points at issue. The successful termination of this strike of about thirty thousand poor Jewish, Italian, and American working girls through three months of cold weather proves that women workers can be organized under pressure into effective labor organizations.

The spontaneity of action on the part of unorganized or partially organized workers which characterized the McKees Rocks strike and that of the shirt-waist makers was manifested in other strikes of the year 1910. In the strike at the Bethlehem Steel Company's plant the workers were unorganized; but unlike the McKees Rocks strike, the struggle was precipitated by the skilled workers. The Cloak and Suit Makers' strike in New York City in the summer of 1910 led to rapid organization, and the chief point at issue became the question of the closed shop. In the conduct of the strike the principles of industrial unionism rather than those of trade unionism were adopted. All workers in the industry went on a strike. The street car strike in Philadelphia became almost a general strike, many organized and unorganized workers went out on a sympathetic strike. The strike of the workers living in the "model village" of Ludlow, Massachusetts, and working for the Ludlow Manufacturing Associates, is another excellent example of solidarity among unorganized and semi-skilled workers. Unanimity of action grew out of a mass meeting called to discuss the grievances of the working people. The strike of the Garment Workers of Chicago (1910-1911) is another example of an uprising of the unskilled and unorganized. Without any definite organization at its inception, the strike spread until it affected 40,000 or more workers and a multitude of shops. These strikers placed little confidence in leaders. They rejected proposals assented to by the President of the Chicago Federation of Labor and by the President of the United Garment Workers. One observer stated: — "They have faith only in themselves.

. . . They want a union of workers and not of leaders." Evidently the newer form of industrial unionism is impregnated with a feeling of intense democracy. Out of this turmoil in the clothing industry soon arose the new and highly democratic union, the Amalgamated Clothing Workers.

In 1913, a strike among a group of casual laborers in California for the first time focussed the attention of the American people upon the conditions under which the members of the great army of migratory laborers earn their living. Nearly 3,000 hop pickers were camped on one ranch. There were few toilets, bad sanitary conditions, no garbage disposal, and no water was sent into the fields. Local stores were not allowed to send delivery wagons to the camp grounds. One grocery only was allowed in the camp, and from this store the owner of the ranch received profits. The wage rate varied with the number looking for work. Agitation among this motley crew suddenly came to the surface; a sheriff's posse was called and bloodshed followed.[1]

Colorado was again in 1913–1914, the scene of a fierce industrial struggle. In this instance the strike was in the coal mining district of the state, and the union concerned was the United Mine Workers. This bitter struggle which practically resulted in civil war and in much bloodshed, disclosed certain evils fairly typical of isolated mining camps. A considerable percentage of the workers lived in "closed camps or towns" in which the mining company owned all the land and buildings, — miner's houses, churches, stores, school and saloon buildings. Reliable testimony indicated that before the strike political freedom was a farce in the coal mining districts involved in the strike. Union men and others maintained that the operators had disregarded many of the laws of Colorado. While a number of issues were presented, fundamentally the struggle hinged upon the question of collective

[1] Parker, *Quarterly Journal of Economics*, November, 1915.

bargaining. The United Mine Workers wished to put into effect in Colorado the bargaining methods which were in use in many other coal mining districts of the United States. The operators refused to concede the right of collective bargaining, and intimated that the United Mine Workers was a "criminal organization." Soon after the strike was declared, the miners were evicted from their homes. Tent colonies were then pitched near the mines or entrance to the canons leading to the mines. Strikebreakers were obliged to pass close to these colonies in order to get to the mines. At one of the tent colonies occurred the "Ludlow battle" between the miners and the state militia. After this struggle, United States regulars were sent into the strike district to maintain order. It is quite clear that closed company towns and autocratic control over the working and home life of workers are contrary to the spirit of American institutions, and furnish fuel for dangerous and anti-social conditions. The copper strikes in Michigan in 1913 and in Arizona in 1916 and 1917, the strikes in the coal fields of West Virginia, and in other mining districts, all tend to prove the accuracy of this observation.[1]

In the first half of the year 1919 occurred two strikes which possess the marks of general strikes in restricted areas — in Seattle and in Winnipeg. The Seattle strike lasted about six days; the Winnipeg strike approximately six weeks. In Seattle, the difficulty took the form of a sympathetic strike to help the metal workers; in Winnipeg, to help the metal trades and the workers in the building trades. Wages and hours were involved in both, and, in Winnipeg, collective

[1] For references, see Fitch, *The Survey*, December 5, 1914; Seligman, *The Annalist*, May 4, 1914; West's *Report* to the Commission on Industrial Relations; Robinson, *The Independent*, May 11, 1914; Taylor, *The Survey*, November 1, 1913; Report of the President's Mediation Commission in *The Annual Report of the Secretary of Labor*, 1918; Gleason, *The Nation*, May 29, 1920.

bargaining; "but in both cities ominous forebodings of an irrepressible conflict, instinctive response to rallying class cries, and a searching of hearts as to what loyalty, patriotism and civic obligations imply, were always visibly in the background and eventually in the foreground." [1] In both cases, there were also signs of a struggle within the ranks of labor between the orthodox unionists and insurgents of a radical type. The Seattle authorities were ready for emergencies in case some one began to use violence.

The steel strike of 1919 was a concerted attempt on the part of a group of twenty-four national unions, sided by the American Federation of Labor, to force the United States Steel Corporation and certain independent companies to accept the principle of collective bargaining and to recognize organized labor. The eight-hour day, the six-day week, and the abolition of the twenty-four hour shift, were also among the demands of organized labor. It should be noted that these three demands and the right of collective bargaining were favored by the National War Labor Board. One of the real points at issue undoubtedly was the right of discussion in the "steel towns" of the Pittsburgh district. These towns were evidently as much under the control of the steel companies as were the "closed towns" of the mining districts under the control of the mine operators. The steel strike was technically lost; but organized labor gained much encouragement from this vigorous assault upon the great anti-union iron and steel industry.

In the autumn of 1919, the collective bargaining system which had been in successful operation for a number of years in the bituminous coal industry, temporarily at least, broke down. A strike involving over 400,000 miners began November 1, 1919. The chief demands were for a six-hour day, a five-day week, and a sixty per cent increase in wages.

[1] Devine, *The Survey*, October 4, 1919.

The demand for a thirty-hour week was not as extreme as it might seem to persons unacquainted with the statistics of the soft coal mining industry. The United States Geological Survey reports that the highest average number of days worked per year in that industry from 1910 to 1918, inclusive, was 249 and the lowest, 195. For the fifty weeks from the armistice to October 25, 1918, the average number of hours worked per week was thirty. Acting under the sanction of war legislation in force at that time, a federal judge in Indianapolis promptly granted an injunction restraining the officials of the United Mine Workers from directing the strike, and tieing up the large strike fund of the organization. On November 8, the judge ordered the officials of the miners to recall the strike order. This was obeyed; but the miners did not return to work. Later, steps were taken to institute contempt of court proceedings against the leaders of the miners. Finally, the organization accepted a proposal of President Wilson, to the effect that the miners were to receive an immediate advance in wages of 14 per cent, and the question of further increases be left to an arbitration committee appointed by the President. After about six weeks cessation from mining the men went back to work. This strike threw into clear relief three facts: (1) An injunction will not get coal mined. Goodwill and good management in industry, not governmental coercion, must be depended upon to get results. (2) The absolute dependence of the nation upon the continuous and efficient functioning of key industries was made exceedingly plain to the people of the United States. (3) The soft coal mining industry has been "a mismanaged industry." If the coal operators cannot regularize their business and reduce enormous waste, they must prepare for a vigorous demand for the nationalization of the mines.[1]

[1] Polakov, "Coal: A Mismanaged Industry," *The Dial*, November 1, 1919.

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CHAPTER VIII

INDUSTRIAL REMUNERATION

What is a "Fair Wage"? The discussion of the methods of industrial remuneration leads inevitably to the consideration of the proper basis of a just or fair wage. No elaborate discussion of a theory of wages should find a place in a study of the problems confronting organized labor; but it is fitting and important that some consideration be given to the question of the determination of a fair wage. In medieval times this important consideration was easily and summarily disposed of by means of the inelastic measuring rod of status or of class distinction. Medieval writers and jurists were very clear in their conception of fair prices and fair wages. "Man, they taught, had been placed by God in ranks or orders, each with its work to do, and each with its own appropriate mode of life. That gain was justified, and that only which was sought in order that a man might provide for himself a fit sustenance in his own rank." [1] A man could easily determine for himself, without resort to technicalities or courts of arbitration, the proper price for commodities or labor time by calculating what was needed to support himself and his family in accordance with his status in life. Each class in the community had its own rather definite and customary standard of living; and the summit of personal ambition was success within a limited social and economic sphere rather than that of progress from one class to the next higher. Ambition was curbed and chastened by the great fact of birth

[1] Ashley, *Economic History and Theory*. Book 2: 389.

within a given social compartment. Prices and wages were to be so regulated as to maintain class immobility.

With the downfall of medievalism and the passing of mercantilism came the rise of the *laissez faire* philosophy. It was assumed that prices, rates, and wages were fixed automatically by the ceaseless action of free and untrammeled competition. The question of wages offered no difficulties provided free competition was not interfered with. But, today, the existence of numerous rate and arbitration commissions is a concrete and unmistakable warning that competition is not the active, living, vital force or principle that economic theory has often so vividly and enthusiastically pictured. The various and sundry attempts to fix fair prices, living wages, and reasonable rates unmistakably point to the general acceptance of the view that competition does not act as many economic theorists have dogmatically argued. Day after day the competitive field is being gradually narrowed. In the economic field the investigator of today may find a variety of returns many of which were unknown in the idealistic realm pictured by the classical and other economists. At present every thinking person recognizes that certain lines of industrial activity are in a large measure outside the competitive sphere. For example, railway and street railway fares, rates for gas, electric light, water, telegraph and telephone service, are no longer fixed by the competitive process. Monopoly is a potent factor in the economic world; it cannot be neglected in any careful study of wages. The familiar theories of wages, such as the wage fund theory, the residual theory, and the marginal productivity theory are all grounded upon the fundamental postulates of free competition. If, however, economic friction is present, none of these theories may be accepted as an adequate guide.

With the narrowing of the competitive field the question as to what is a just and scientific standard of measurement for

wages, prices, and rates becomes increasingly important; and, at the same time, it becomes much more difficult to solve because the basis for competitive wages, prices, and rates is being undermined. Much of the current discussion and theorizing as to the rights of labor and of capital is futile because either the existence of free competition is assumed, or reference is made to wages or prices paid in the past, or some arbitrary standard is postulated which has no validity beyond the personal desires of certain individuals or classes.

No court of arbitration or board of conciliation has as yet offered any definite and scientific formula by means of which disputes as to wages or conditions of labor may be adjusted. Nothing has been discovered to replace the discarded standard of medievalism or the automatic process of the *laissez faire* system. The finding of a board of arbitration is merely a compromise which removes the immediate difficulty; the root of the matter is never laid bare. An anxious public is not given any exact data; no definite method of procedure is presented which may be used as a basis for the work of other boards which may be organized at some future date. Courts of arbitration and boards of conciliation frequently study the physical, social, and economic conditions in the industry to which their attention is directed. The home and working environments of the workingman are investigated, a careful estimate of the household budget is frequently made, and the condition of the workers in that industry and locality may be compared with those of employees in other industries and localities. Much comparative data is accumulated; but the crux of the difficulty still remains. Our concept of a fair wage is as yet very elusive and indefinite. Subjective, rather than objective, considerations seem to have the greatest weight. In this respect a marked contrast may be discerned between the modern and the medieval viewpoint. Negatively stated, it may be confidently urged that an ex-

tremely low wage, such as is paid in the sweated industries, is not a fair wage. The positive statement assumes the following form: — A fair wage is one which allows the worker and his family to adopt a standard of living in harmony with local and class standards. The practical difficulties are a multitude. A fair wage for an unskilled worker would not be a fair wage for the skilled man. A wage sufficient to maintain an unmarried man in comfort may be inadequate for the married wage earner. In a densely populated country, it may conceivably be impossible to pay living wages. One additional point, however, seems clear: — An adequate modern theory of fair wages and fair prices cannot rest upon a basis of special privilege; it must stand upon the firm foundation of equality of privileges and of opportunities and of the abolition of artificial and inherited inequalities.

Methods of Remuneration. The antagonism between labor and capital is clearly pushed into the foreground when the question of wages is considered. Each laborer is vitally interested in an increase of wages. The employer is interested, not especially in lowering the general rate of wages, but in a reduction of the wages paid per unit of output in his own establishment. From the point of view of the employer, a system of wage payment is desirable if it reduces the labor cost per unit of output. The employer seeks a system which will furnish an effective incentive to stimulate the workers to more energetic action. Under slavery, fear was the chief incentive; under the wage system, fear has been replaced in a measure by duty and by the desire for income. The employer is anxious to install a system which will provide an obvious incentive to the worker to increase his output without causing appreciable deterioration in the quality of the output or an increase in the amount of waste involved in the performance of the work. The employee is opposed to any system of wage payment which tends to reduce the wages measured

by the output of energy and by the ability of the wage earner or which tends to cause overdriving and the rapid deterioration of the worker, that is, which approximates the sweating system. In the consideration of different systems of wage payments, these somewhat antagonistic viewpoints must not be overlooked.

Seven different systems of wage payments will be briefly considered: — time wage, task wage, piece wage, progressive wage, the sliding scale, profit sharing, coöperation. Coöperation is not strictly a system of wage payment; the employer and employee are not separate and distinct individuals. Nevertheless, it seems advisable to discuss its advantages and disadvantages in connection with systems of wage payment. One difficulty common to all wage systems is the determination of the amount of output which ought to be accredited to organization and managerial ability. Economic interest and experience lead the average employee to minimize the importance of business organization, and the employer to over-emphasize the same.

I. *Time Wage.* The two basic systems of wage payment are the time and the piece wage. Other systems are modifications or combinations of these two. In the time wage system the base is a unit of time, one hour, one day, or one week; in the piece wage system the basis is a unit of output of the worker. Nevertheless, under the time wage system the employer is not indifferent to the output of the worker; nor under the piece wage system to the speed of the worker. If the worker who is paid by the hour or the day falls below a certain average minimum output in a given time, he will be discharged or his wages cut. On the other hand, the employer cannot afford to utilize the services of a slow piece-worker because of the inefficient use of tools, machinery, and plant furnished by the employer. Under the time system it is extremely difficult for the employer to quicken the pace of the employee, or to

ascertain whether his men are working at a reasonable rate of speed. The fast and skilled men naturally adjust their pace to that of the slower and less skilful. Within certain elastic limits the time wage system tends to level the rate of pay for men in a given trade or subdivision of a trade. Wages are not paid in proportion to different individual capacities. As a consequence, uniformity of output is approximated.

The chief incentives to efficient work are the fear of discharge if the output falls below a rather indefinite minimum, a feeling of duty or of obligation to do a fair day's work for a day's wage, emulation of other workers or rivalry between workers, and the hope of advancement or of an increase in wages. The first incentive is strongest in periods of depression and of slack work. Skilful managers often stimulate emulation or rivalry among employees. The United States Steel Corporation, for example, not only stimulates rivalry between individual workers, but also between different departments in the same plant and between various plants. The hope of advancement is more potent among skilled than among unskilled workers. The potency of the feeling of duty to render good service for wages promised is undoubtedly reduced by those changes which tend to separate employer from employee, and which increase the feelings of antagonism between the employing and the employed classes.

In general the time wage system may be considered to be particularly desirable when one or more of the following conditions obtain: — (*a*) It is difficult to easily ascertain the quality of workmanship. (*b*) A given article is the joint product of several individuals. (*c*) The machinery is delicate and costly. (*d*) The material utilized is expensive. (*e*) The work is of an abnormal nature, such as repair work. (*f*) The counting or measuring of the product is a slow or difficult task. As a rule, labor organizations are more inclined to look with favor upon the time than upon

the piece wage system. Their attitude, however, is governed by the special conditions and circumstances surrounding the work in specific trades.

II. *Task Wage.* Under this system of wage payment, the workman is obliged to finish a standard amount of output within a given period of time or suffer a reduction in his wages for that period. But if he produces an output in excess of his required daily task, he is not entitled to additional wages. The task system among the Jewish clothing workers has led to over-exertion and over-driving in an extreme form.[1]

III. *Piece Wage.* As wages under this system of wage payment are proportional to individual output, the desire to increase income is the direct and potent incentive to more rapid work. Theoretically, wages paid by the piece vary in accordance with individual capacity. Since the piece rate is usually fixed in an arbitrary and purely empirical manner, the employer is often sorely tempted to cut the rate; and he frequently yields to the temptation. "The ordinary piecework system involves a permanent antagonism between employers and men, and a certainty of punishment for each workman who reaches a high rate of efficiency." Consequently, in actual practice the fear, born of repeated experiences, that the rate per piece will be cut if wages per hour rise much above the average time wage, leads toward uniformity of output on the part of different workers. The rapid worker is also discouraged in a variety of ways by his shop-mates from exerting himself to a maximum. "Soldiering" or "killing time" is, however, reduced to a minimum. The piece wage system is especially desirable in cases where supervision is difficult.

The piece wage system sacrifices quality for quantity. Oversight and prodding by the foreman are in a large measure

[1] See Chapter XII, pp. 362–364.

eliminated; but the work of the inspector of the finished article is of great importance. Piece work often drives the worker to over-exertion; and physical and nervous overstrain is a consequence of its introduction. The individual is induced to sacrifice his future wage and efficiency for an advance today. In certain cases, however, a piece wage system may reduce rather than increase over-exertion. For example, in the cotton spinning industry under the time wage system the speed of the machine may be almost imperceptibly increased. The worker is obliged to gauge his rapidity of movement by the speed of the machinery. Under such circumstances, certain objections to the piece wage system vanish; and the employer is given a weaker incentive to speed up the spinning machinery until the health of the operative is endangered.

IV. *The Progressive Wage or the Premium Plan.* Guesswork and rule-of-thumb methods have no place in the modern factory. Business engineering is rapidly being placed upon a scientific basis. Methods of performing work are being carefully and intensively studied. The business engineer, the accountant, time cards, and elaborate systems of bookkeeping are important factors in every large and up-to-date factory. The cost of production of each and every minute part or operation is accurately determined. Expenses of production — materials and labor cost — are known. A careful study is made of both the man and the machine. The application of scientific principles to the art of bricklaying has demonstrated that many of the customary motions of the bricklayers are unnecessary. Experts are needed to study each particular kind or process of work. The potentialities of scientific business engineering seem enormous. One writer has hinted at a new "industrial revolution" as a consequence of the use of scientific methods in business management. If this be true, the great mass of the population including all the wage earners should use their endeavors, not only "to forestall

its miseries, but to socialize the benefits which would come from great leaps in production."[1] The pioneer and most noted exponent of scientific management is Mr. F. W. Taylor.

Progressive wage systems are a part of the fruits of business engineering. The normal time required to perform a given operation is carefully ascertained by a series of tests. In this manner the empirical rate of the ordinary piece-work system is replaced by a systematically ascertained "time base." A progressive wage system is a combination of the piece and time wage system. Since the time base is carefully ascertained, the temptation to cut the rate is in a large measure removed, and one serious defect of piece work obviated. The prodding of the foreman, which is a disagreeable feature of the time wage, is replaced by the accurate record of the time card.

The advocates of the premium plan assert that it saves time and increases output. The danger of stimulating the worker to over-exertion is not eliminated; but it is somewhat less than in the case of piece-work. The premium plan can be most satisfactorily applied in shops where the same articles are produced day after day. New operations cannot be brought within the scope of the premium plan until they have been subjected to careful experimentation in order to ascertain the proper time base. The progressive wage system is sometimes called gain sharing; it is a direct form of profit sharing. The worker's share in the profits due to his extra exertion is paid to him on each pay day. Many employers doubtless favor a premium system, not merely because it increases output and lowers costs, but because they believe that such a plan of wage payment will tend to prevent the growth of union sentiment in their factories. The capable and strong workers will be enabled to earn high wages and will not be tempted to become leaders in a labor organization. In New

[1] Kellogg, "A National Hearing for Scientific Management," *The Survey*. Dec. 3, 1910.

Zealand, it has been proposed that the "living wage" standard ought to be supplemented by a premium wage for efficiency. This proposal was not well received by labor leaders. Opposition to anything savoring of a task system or stimulating pace-making, is to be expected from organized labor.

(*a*) *Halsey's Plan.* Perhaps the most famous premium plan is one first presented by Mr. F. A. Halsey. The two fundamental considerations in this plan are the time base and the amount of the premium to be paid. After careful experimentation the normal time required to do a given job is ascertained. If the worker finishes a given job in less time, a premium is paid for the reduction in time. The determination of the amount of the premium is really a matter of psychology. The aim is to produce the maximum incentive at the minimum cost. If a man does not produce the normal or standard amount of work in a day, he still receives the usual day's wage. For example, if a given job normally requires ten hours' work and the worker is paid at the rate of thirty cents per hour, the time base is three dollars. This amount will be paid whether the job is completed or not in the ten hours. If the premium is ten cents for every hour saved and the work is completed in nine instead of ten hours, the worker will receive $2.70 plus ten cents or $2.80 for nine hours' work; or approximately $3.11 instead of $3.00 for ten hours' work. Where considerable physical exertion is required or in case the work is unusually disagreeable, a larger premium must be paid in order to stimulate the worker than is necessary for lighter or more agreeable work. The time base should only be changed when some change or improvement is made in the process of turning out the particular article or in performing a particular operation. If the time base is arbitrarily changed, the system degenerates into a piece wage system. Emerson's cumulative system eliminates the daily fluctuations by figuring the bonus upon the work done in a month.

(*b*) *The Differential Piece-Rate Plan.* Under this system if a worker does not attain a certain minimum rate of work, his wage rate per piece is cut. A further reduction is to be made if some of the work is imperfect. If the maximum rate is ten pieces per day, the worker is to receive, for example, thirty cents per piece; but if he only turns out nine pieces, he will receive only twenty-eight cents per piece. This plan seems to be an undesirable form of a task system. (*c*) An English system — Rowan's plan — is worthy of brief notice. The pay of the worker increases as the time required to complete a given job is decreased; but the rate can never be increased beyond twice the original rate per hour. For example, suppose the time base for a given order of ten pieces is ten hours, and the day wage is $3.00. For every hour gained one-tenth of the original wage per hour is to be added to the rate. The cost per piece is reduced while the wage per hour is increased. The following table shows the rate of payment when the job is done in ten hours, in nine hours, and in eight hours.

Pieces.	*Time.* *hours*	*Wage.* *per hour*	*Wage.* *per ten-hour day*	*Cost.* *per piece*
10	10	30 cents	$3.00	30 cents
10	9	33	3.30	29.7
10	8	36	3.60	28.8

Mr. Rowan in a letter to Mr. Halsey argues that the Rowan plan is one which will not necessitate cuts in the rate of payment when extraordinary increases are made in the total daily output of the worker. The former writes that "while yours is a decided improvement upon the ordinary piecework system when you come to great reductions in the hours taken, and these are the stages at which you wish to encourage the men as well as at the earlier stages, here I think my system has a great advantage over any other system of which I have yet heard."[1]

[1] Commons, *Trade Unionism and Labor Problems*, p. 288.

V. *The Bonus.* Various bonus systems have been tried by different companies. A firm manufacturing men's garments, for example, offers four. 1. A quantity bonus is paid when the worker exceeds a certain daily task. 2. A quality bonus is paid if all the work of a given period passes the inspector. 3. If the worker is regular in his work and is not tardy, without sufficient excuse, an attendance bonus is paid. 4. After an employee has been on the pay-roll for a term of years, a service bonus is paid in addition to the other three. Other plants use one or more of these plans. The sliding scale has been used in the mining industry. The wages are automatically lowered or raised as the price of the product fluctuates. The wage earner under this system is dependent upon the vicissitudes of the market.

VI. *Profit Sharing.* Profit sharing and coöperation are essentially proposed panaceas for the evils arising under the present industrial order; but it seems advisable to consider both in the present chapter. Profit sharing is a system supplementing the ordinary methods of wage payment. It has been tried as a remedy for certain evils connected with the present relations between labor and capital. Under profit sharing the worker is to be paid time or piece wages. In addition he is promised some more or less definite share in the profits of the business, if profits are earned. This method is quite dissimilar from gain sharing as carried out under some form of the premium plan. In the case of gain sharing, the bonus or premium received is due solely to the extra exertion and dexterity of the individual workman. Under profit sharing, the dividend paid to the workman depends upon a multitude of circumstances — such as the business ability of managers, conditions of the market, the efficiency of the entire working staff, and the carefulness and efficiency of each individual worker. The effort and efficiency of a particular worker are only one factor in producing profits; and may be

more than counterbalanced by the inefficient functioning of other parts of the industrial and business mechanism.

The advocates of profit sharing assert that it will remove many difficulties now imbedded in our industrial system. But the general adoption of profit sharing would cause little change in that system. The wage system would remain; and the employer would still be in control of industry. Profit sharing is paternalistic or of the nature of a benevolent autocracy; it is far removed from industrial democracy. It is difficult to see how the fundamental antagonism between the employer, anxious to increase his share in the product of a given plant, and the employee likewise desirous of adding to his yearly income can be removed by any indefinite free-will offering on the part of the former. The system originated in France. A house painter and decorator named Leclaire first tried it in 1843. "The Maison Leclaire" became an important and successful business. Various experiments have been tried in England and in the United States; but there is no immediate prospect of any considerable development of the system.

Product Sharing. Product sharing may be considered to be the prototype of profit sharing. "Profit sharing, whether in agriculture, trade, or manufacture is the adaptation of this ancient and approved product sharing to the conditions of modern industrial life."[1] In agriculture, the *metayer* system or share farming is a form of product sharing. The owner of the farm furnishes the land, the buildings, and, oftentimes, a portion of the implements, live-stock, and seeds. The product is shared between the owner and the tenant in accordance with a contract made at the opening of the season. In the fishing industry, the proceeds of a given catch or a given voyage are often divided among the crew. Wages are not paid; the recompense depends entirely upon the size of the

[1] Gilman, *Profit Sharing*, p. 418.

catch. Product sharing does not provide for wages. Profit sharing provides for an allowance in addition to the ordinary wage.

Methods. There are three important systems of profit sharing: — cash payments made at the end of a given period; deferred participation; and payment in the stock of the company.[1] In the United States and in England the first and third methods are chiefly used. The second is often used in France. The S. M. Jones Company of Toledo for some years paid a cash bonus of five per cent. of the annual wages of each employee. Later, instead of paying cash, the amount of the bonus was allowed as a partial payment toward a share of the stock of the company. A wholesale grocer in Toledo for some years paid an equal cash bonus to each of his employees, — the unskilled shared equally with the skilled. The Cabot Manufacturing Company presents an example of the trial of a plan of profit sharing combining cash and deferred payments. This company manufactures certain chemical products. Before an operative can participate in the benefits of the profit sharing system, he must sign a paper binding him to give a notice of sixty days before leaving the employ of the company and to do "all in his power to save expenses." A certain portion of the net profits — known only to the proprietor — is divided among the workers according to the wages received by each profit sharer. One-half of the profits is paid in cash and one-half is placed in a savings bank by the proprietor as trustee. If an employee dies, his heirs are entitled to the accumulated fund. If an employee leaves the factory, "and gives the required sixty days' notice, the fund remains at interest two years in the bank, and is then handed over to the operative, provided he has not sold the secrets or formulas he may have learned in the course of his employment in these works." If an employee does not keep his agree-

[1] Adams and Sumner, *Labor Problems*, p. 335.

ment, the accumulated fund to his credit is divided among remaining profit sharers. This is a very significant provision. In case of a strike, the strikers would lose their accumulated dividends and those who remained at work would have this amount added to their dividends.

If employees buy shares in the company which employs them, they do not become profit sharers. The dividends received are paid to them as stockholders instead of employees of the company. When shares of stock are given as a bonus or sold to employees at a reduced price, the employees may be considered to be profit sharers. The United States Steel Corporation has sold shares of stock on special terms to its employees; but many individual workmen cannot see that it is especially advantageous to own one or two shares in that great corporation. In 1919, Swift and Company reported that 10,000 employees were stockholders in the company. Under a stock-savings plan 13,000 more employees were said to be on the road to become stockholders. Other corporations have tried similar plans.

Advantages of Profit Sharing. The advocates of some system of profit sharing urge that the unmodified and unimproved wage system is a failure. It does not give the worker a direct and personal interest in his work; and, as a result, antagonism develops between employer and employee. Profit sharing, however, tends to reduce labor turnover. Piece-work and the various premium plans stimulate the worker to greater exertion; but they do not cause him to be more careful of the machinery and tools which he uses; and these systems of wage payment, it is contended, do not aid in eliminating the waste of material used in production. It is possible, for example, to cut leather for shoes so that much material will be wasted. Indeed, a workman who is working against time as a piece-worker cannot be expected to reduce his speed in order to save material. Under profit sharing, a saving in

material is as potent in increasing the dividends paid to the worker as is a reduction in the time of performing a given operation. It is further asserted that the workman who is a profit sharer also has a personal interest in caring for the tools and machinery committed to his charge. According to its friends and advocates, profit sharing will improve the quality of the product, will induce the workman to be more careful of his tools, will reduce the waste of material used in making the finished product, and will, in no small measure, eliminate the friction between employer and employed.

If profit sharing is to be a success as a business proposition and as a project to reduce the friction between the employer and the employed, additional profits must be produced as a result of its introduction. If, however, the workers have been stimulated, as they usually are in America, practically to the limit of their physical strength by means of the prodding of foremen, piece-work, or a progressive wage system, an extra bonus cannot be produced except by saving material or reducing the wear and tear upon machinery and tools. In any industry where the men are driven nearly to their limit profit sharing will be of little economic importance unless the element of waste material and wear and tear upon machines and tools is a very important consideration. In a monopolistic industry, profit sharing may be successfully practiced since the firm may consider it advantageous to keep the men contented by paying higher wages plus a bonus or share in the profits. But the reason for the adoption of such a policy is not purely economic, that is, the expectation of additional profits is not the immediate and the chief motive leading to the adoption of this policy.

Objections to the System. (*a*) As a stimulus to the individual worker to increase his output, profit sharing is less direct and potent than a piece wage or some form of a progressive wage. An increase in the amount contained in the next pay envelope

is much more stirring and invigorating to the average person than the possibility of a dividend declared some time next winter. The nexus between individual effort and a larger piece or premium wage is also much closer than that between individual effort and company profits. (*b*) Profit sharing is a one-sided matter. There is really only one party controlling the scheme, — the employer. He proposes it, decides upon the amount of the bonus, manages the business, and absolutely controls the bookkeeping. From the point of view of the workers, their share in the profits is substantially a gift. Under such circumstances, the worker cannot feel that he is a part owner and manager of the business. Care and economy on the part of the worker can only be effectively stimulated in the mass of the workers when profit sharing approaches coöperation, when industrial autocracy is replaced by industrial democracy.

(*c*) Profit sharing, instead of reducing the friction between labor and capital, may increase it because the possible points of difference between employer and employees are increased rather than diminished. The question of how much the laborer should receive and how much should go to the employer, still remains practically unchanged under profit sharing. If the system should become universal would not the struggle now so frequent as to the rate of wages continue, and in addition would not disputes often arise as to the division of profits? As the books of the company are not usually open to inspection, the suspicion may arise that the company is not dealing fairly with its employees. The wage system gives the worker a definite contractual income per day or per piece. Profit sharing makes the income of the employee in a measure dependent upon the vicissitudes of the business world. Profit sharing "offends against that cardinal principle which demands 'that every man shall receive his own reward according to his own labor.'" The reduction in

costs resulting from greater care, diligence, and speed, and leading to increased profits to be shared between labor and capital, may be counterbalanced by bad management so that no profits may accrue to be distributed.

Systems of profit sharing have usually been inaugurated by employers for one or more of three reasons: — (1) In order to increase the output of the factory, to induce the workers to be more careful of tools and machinery, and to reduce the waste of material. (2) To appease the workers and to alienate them from their union or to prevent the formation of a union among the employees. (3) For humanitarian or philanthropic (not business) reasons.

The first motive needs no further discussion. Effective trade-union action is only possible when the members of the union feel that their interests are furthered through the use of the trade-union methods and weapons. If the employees of a company become owners of shares of stock, or have the prospect of receiving an annuity or an annual bonus, they are less ready to use union methods in order to secure higher wages, better conditions, or a shorter working day. A strike would endanger their profits. A wage earner who is also a profit sharer is less loyal to his union and will be less favorable to the adoption of coercive measures against the employing firm than the man who is simply a wage earner. The solidarity of the modern labor organization is a phenomenon which can only appear in a wage earners' union. Such solidarity would be impossible in a mixed union. Profit sharing inevitably tends to disintegrate unions and to dilute unionism. No inconsiderable percentage of profit sharing systems have been inaugurated after a strike or after a period of agitation. Many employers recognize the possibility of using this gentle but potent means to secure industrial peace; and labor leaders are not blind to this situation.

With men like the late S. M. Jones and N. O. Nelson,

humanitarian reasons undoubtedly took precedence over others. Both were engaged in highly profitable businesses; both were well-to-do men; and both were actuated by high and non-mercenary ideals. Profit sharing works well in such hands; but their experience is of little value as a guide in studying the system. Such men are primarily philanthropists. Their scheme of profit sharing points toward some paternalistic utopia, not toward industrial democracy.

Conclusion. Profit sharing cannot be considered to be of importance as a means of solving any of the vexed problems connected with the relations existing between labor and capital. Profit sharing retains the forms of the ordinary wage system; it merely adds to that system a method of bonus payment. At best, it is only a palliative or a sedative. Profit sharing is either a form of philanthropic enterprise, or a kind of sugar-coated industrial autocracy. Only as it approaches coöperation in form and method can this system be considered to be of important industrial significance. In competitive businesses, with employees working under high pressure, there will be few or no additional profits derived as the consequence of the adoption of a system of profit sharing. It is most successful in a monopolistic business earning more than competitive profits. The workers are given a share in the extraordinary or monopoly gains of the business. But in such a case, the basis of the system is not economic, but philanthropic or political. Discontented workmen may suggest unpleasant official or unofficial investigations. On the other hand, contented workmen sharing in monopoly profits are not likely to look with favor upon such investigations. The deferred payment scheme is not inviting to Americans because of the extreme mobility of the labor force, and because the American workman is impatient of slow gains, is improvident, and is fearful that he may in some way be

finally cheated out of the promised annuity. The cash bonus system has the best prospect of success in this country, although the stock-sharing system may succeed in a measure among the more highly paid operatives.

In 1916, sixty establishments were reported as using profit sharing in some form. Of this number, twenty, or one-third of the total, were started in 1914, 1915 or 1916. Only four reached back to the eighties, — Ballard and Ballard, flour milling, Louisville, Kentucky, 1886; Bourne Mills, manufacture of cotton cloth, Fall River, Massachusetts, 1889; Samuel Cabot, manufacturing chemist, Boston, 1887; and the N. O. Nelson Manufacturing Company, plumbers' and steam fitters' supplies, St. Louis, 1886. In only one-third of the establishments did the profits shared amount to over ten per cent of the regular earnings of the participants.[1] Recently, certain plants using the shop committee system have also adopted some variety of profit sharing.

Welfare Work. The so-called "welfare work" carried out by certain firms may be considered an attenuated form of profit sharing. It has been defined as including "all of those services which an employer may render to his work people over and above the payment of wages." Welfare work usually has for its basis the improvement of working conditions within the factory or shop, the betterment of the home environment of the workers, provisions for educational facilities or provisions for wholesome and healthful recreation. "Model" homes may be built for the working people and rented to them at low rentals, an attractive dining room which furnishes meals at cost prices may be provided, night schools for employees and kindergartens for their children may be established, baths and amusement parks may be provided, or the sanitary conditions within the factory may be improved

[1] *Bulletin of Bureau of Labor Statistics.* No. 208 (1916); *Monthly Labor Review,* August, 1917.

— these are a few of the many varieties of welfare work. The increasing attention which is being paid to welfare work or "industrial betterment" is indicative of a tendency to accept the idea that it is not only humane, but business-like, to strive to conserve the health and efficiency of the workers in a given establishment. A few companies have "welfare managers" whose work is to study the factory and its employees for the purpose of improving the working and leisure environments of the workers. Welfare work is not always appreciated by the employees. It often savors of paternalism; and it has probably been introduced in some instances for the purpose of preventing the organization of the employees, or of preventing a strike. "Welfare work," writes Professor Commons, "is not the solution of the labor question nor the substitute for labor organization. It is part of the labor movement for better treatment, better conditions, and greater opportunities." Welfare work originated as a form of humanitarianism or paternalistic philanthropy; it is evolving into a method, based upon business and scientific principles, of improving the efficiency of the working force of an establishment.

VII. *Coöperation.* Unlike profit sharing, coöperation involves a fundamental change in the present industrial order. Profit sharing is a device proposed and inaugurated by the employer primarily to increase his own profits, and to enable him to cope more easily with his competitors or to reduce industrial or political friction and opposition. The control of the business remains in the hands of the capitalists — the employers. On the other hand, coöperation places the business in the hands of the employees or the consumers, and sweeps the employer aside as a useless encumbrance. The management of the business is placed in the hands of a manager or superintendent selected by the employees. Employer and employee are merged into one. Coöperation is a step

in the industrial sphere similar to constitutional government and universal suffrage in the political world. Coöperation and trade unionism are both essentially working class movements. Both aim to introduce some form of industrial democracy. The fundamental ideals of the former have been summarized in a clear and concise manner. (*a*) The control of the business ought to rest in the hands of the workmen. (*b*) The receipt of wages is inconsistent with the dignity of labor. (*c*) It is a flagrant injustice to exclude the workmen from participating in the profits of the business. (*d*) The employer is unnecessary. (*e*) If the profits of the business accrue to the workers, their income will be appreciably increased.[1] Coöperative enterprises may be divided into at least four general classes: — consumers' coöperation, represented by the coöperative store; distributors' coöperation, of which the grain sellers' coöperative elevator is an example; credit coöperation, represented by the building and loan association; and producers' coöperation, of which a factory operated by the workmen in the plant is an example. The second and third forms are usually organized and controlled by others than wage earners; and, consequently, need only be briefly considered.

Consumers' Coöperation in England. The first practically successful coöperative stores were organized in Rochdale, England, in 1844. Other movements, however, preceded the attempts of the "Rochdale Society." Robert Owen was much interested in the movement. According to the late Professor Frank Parsons, in 1830 there were 250 coöperative societies in England. But the weavers of Rochdale seem to have been the true pioneers in this important movement. Since 1861 the growth of consumers' coöperation has been quite remarkable. During the period of forty years, 1861–1901, the population of Great Britain increased approximately

[1] Schloss, *Industrial Remuneration*, p. 240.

43 per cent; the value of the manufactured products, 52 per cent; the value of the international commerce, 130 per cent; and the consumers' and producers' coöperative business, 5,300 per cent; or from £1,512,117 to £81,782,949 in 1901. In 1906 the value of the sales was £97,937,757. In the forty years, the membership of the societies is reported to have increased from 48,184 to more than 2,000,000. In 1906 the British Coöperative Union was composed of 2 wholesale societies, 1,448 retail societies, and 131 productive societies. About 413 societies out of the total of 1,448 were engaged in coöperative housing schemes. The societies build houses and rent them to their members, build and sell houses to their members, and loan money to their members for the purpose of building homes.[1]

By 1918, the coöperative societies of Great Britain were doing an annual business of about $1,000,000,000. The number of coöperatives was approximately 4,000,000. At the opening of the War, the British coöperative societies were important factors in controlling food prices. The wholesale stores are controlled by the retail stores. The profits of the wholesale stores are divided among the retail stores just as the profits of the latter are distributed among the individual members. The wholesale societies conduct many factories, have banking and insurance departments, own coal mines and farms. The profits of the factories and farms go to swell the income of the wholesale establishments. Mr. Gray, of Manchester, England, states that "in all workshops and factories belonging to the wholesale societies, the workers are employed under the best conditions as regards their workshops and general surroundings, and in all cases enjoy the standard rate of wages fixed by the trade union for their particular industry, and in some cases have much shorter hours of labor." The coöperative establishments of Great

[1] Parsons, *The Arena*, 1903; Gray, *The Arena*, March, 1908.

Britain constitute one of the great businesses of the world. It is a business that "has never been accused of raising prices, has not created even a moderate fortune for anybody, has not a single officer who is a 'magnate,' a 'captain of industry,' or even a 'high financier.' It has no securities on the market, and has never had an underwriting syndicate. Some British coöperatives have extensive libraries; classes in art, science, and literature, and lectures upon a variety of subjects are conducted under the auspices of the societies; concerts, entertainments, and excursions are arranged for the members; and some societies conduct evening continuation schools.

Consumers' Coöperation in the United States.[1] In the United States, some ephemeral attempts were made soon after 1831, by the New England Association of Farmers and Mechanics, to organize coöperative stores. The life of these ventures into untried fields was short. During that unique period of the forties and fifties, characterized by an extraordinary amount of social and political ferment, coöperative stores were organized by associations of farmers and mechanics. Many stores, possibly as many as seven hundred, were doing business at one time in the early fifties; but with the opening of the Civil War came the abrupt termination of the movement. In the last years of the war there was much labor agitation and discontent among the workers, and some ephemeral coöperative stores were established. Soon after the war ended, coöperative associations were formed in connection with certain farmers' organizations and some labor unions.

The Patrons of Husbandry, popularly known as the Grangers, established many coöperative stores in the early seventies. In 1876 the highest officer of the order said: — "Hundreds, and it may be, thousands of coöperative stores have been

[1] The source chiefly used in preparing this section is the excellent monograph on "Coöperative Stores," written by Prof. Ira B. Cross.

established in the various States and Territories of the Union with various amounts of capital, and perhaps as various in other features and in their fortunes." At one time there were grange stores in nearly every county in Ohio and in one-half of the counties of Illinois. "The enthusiasm of the Grangers for coöperation gradually died away as prosperity followed the panic of 1873, and with the relaxation which usually follows the rapid growth of any organization."

Coöperation was a basic principle of the Knights of Labor; and a considerable number of coöperative stores were established during the period, 1881–1888, under the auspices of that labor organization. During the latter part of the eighties, the Farmers' Alliance was active in "propagating coöperative ideas among Southern farmers." Since 1890 sundry cooperative unions have striven to promote the organization of coöperative stores. In 1905 Mr. Cross found 343 coöperative stores doing business in the United States. Of this number, 68 were located in California; 34 in Kansas; 30 in Wisconsin; 26 in Massachusetts; and 22 in Washington. "Judging from the returns received from 170 of these establishments the above 343 stores represent an estimated capitalization of $8,520,809.00, a membership of approximately 76,146 persons, and a trade of about $265,526,743.00. In 1920, it was estimated that there were in the United States approximately 3,000 consumers' coöperative associations having a combined annual business of $200,000,000. These associations deal in one or more of a variety of supplies, including groceries, meats, dry goods, school supplies, shoes, fuel, grain, farm machinery, hardware. California, Washington and Illinois are important centers of the coöperative movement. The Non-Partisan League has a chain of stores in the Dakotas. The Finns have established many coöperative stores.[1]

[1] *Monthly Labor Review*, March, 1920, pp. 138–145; Perky, "Coöperation in the United States," *The Intercollegiate Socialist*, April-May, 1917.

The coöperative movement in this country has not been notably successful. It has been termed an "almost utter failure." Mr. Cross presents several reasons for the slow progress of coöperation in the United States. (*a*) Many of the coöperative movements grew out of certain farmers' and workers' movements; and both movements collapsed together. (*b*) The coöperative stores have not been well organized. Although they have met bitter opposition, few protective associations have been formed. One coöperative association has known little about the status of other associations. Few state or national conferences have been held. (*c*) Until recently no coöperative wholesale houses existed; and the regular wholesale houses discriminated against the coöperative store. (*d*) The competition of five- and ten-cent stores, department stores, mail order houses, and trading stamp schemes, has ruined many coöperative establishments. (*e*) The American people have been too individualistic; coöperation has not appealed to them. Undoubtedly, this cause of failure is losing its potency. (*f*) The mobility of the American people has militated against coöperative associations. (*g*) Americans have been too impetuous and impatient of slow gains to make good members of a coöperative association; and "our comparatively high standard of living has not forced us to acquire the penny saving habit so common among the Europeans." (*h*) Americans desire a variety of food and of clothing. This non-standardized taste makes coöperation difficult. Only stores with a considerable amount of capital can successfully compete when it is necessary to carry a large and varied stock. (*i*) The disdain of the farmer and the wage earner for expert managerial skill has caused many failures. A man taken from the farm or out of the shop without any business experience will rarely make a successful manager of a coöperative store. "Poor business methods, injudicious purchases, over-stocking, wastes in weighing, and many other

practices, all of which bring disastrous results, are very prominent in the coöperative movement."

The difference between the ordinary joint-stock company and a coöperative association managing a store, is quite marked. In the coöperative store, a fixed rate of interest is paid upon the capital stock; the remainder of the profits is distributed to the purchasers as dividends. As a rule, the dividends are paid only to the purchasers who are also members of the association. A member is allowed only one vote even though he may own several shares of stock; and voting by proxy is usually not allowed. As a rule, goods are bought and sold for cash. The sale price is usually the ordinary amount of their purchases.

Distributors' Coöperation. In this class are found such enterprises as coöperative creameries, coöperative elevators for the grain of the Western farmer, and coöperative associations for the purpose of growing and marketing raisins. The coöperative elevators are established by combinations of farmers in order to cope successfully with the so-called "grain-buyers' trust." The California Raisin Growing Association, formed in 1898, was evidently organized to control prices. Every member of the association is required to sign a contract putting the management of his raisin crop in the hands of the association. The raisins are to be packed and marketed in such a manner as seems best to the officers of the association. Each member delivers his raisins to an association packing house. An inspector of the association weighs them and credits the amount to the growers. It was estimated (1919) that four-fifths of the citrus fruit grown in California was sold by coöperative associations. A large percentage of the apples grown in the North Pacific States is also marketed by coöperative associations. In the grain-growing states, farmers have organized large numbers of coöperative elevators. It was estimated in 1919 that there were in the United States

2,000 coöperative cheese factories and 3,000 coöperative creameries. Other forms of coöperation in which farmers are interested are live-stock selling and meat packing. The United States Department of Agriculture estimated in 1917 that there were nearly 5,500 farmers' coöperative organizations of all kinds doing an annual volume of business of over $6 25,000,000.[1] Such associations are of little importance to the wage earner; they are examples of middle-class coöperation. And many of the farmers' organizations depart quite widely from the true coöperative basis.

Credit Coöperation. Credit coöperation has attained its greatest success in Germany especially among the farmers of that country. Friedrich Wilhelm Raiffeison was the originator of the Coöperative Credit Associations of Germany. The movement started about the middle of last century. In 1907, there were 15,600 societies composed of over two million members. By means of these associations the farmers, small business men, and the wage earners are enabled to borrow at reasonable rates of interest. One authority on agricultural conditions in Germany declared that "the German peasantry were saved from ruin when by means of coöperation personal credit was established." The wage earners, however, do not appear to have profited in any considerable degree by the establishment of such associations. But the farmers have been saved from the clutches of the astute and avaricious money lender.

The shares in these associations are small. No individual is allowed to own more than one share, and dividends are limited to a rate not higher than that paid on money loaned by the association. Each member is individually liable for all the debts of the association; but in actual practice this provision has worked little or no hardship as each member is led to take a personal interest in the matter of loans and

[1] *Monthly Labor Review*, March, 1919.

administration of the affairs of the association. Men of ability are placed in control, and a rigid system of supervision is exercised. Each request for a loan is followed by a careful investigaton as to the pecuniary ability of the individual desiring the loan, as to the security offered, and as to the utility of the probable use of the funds desired The careless, shiftless, and improvident will be refused loans while the careful and thrifty will be accommodated. Speculation is reduced to a minimum.

At least three states — Massachusetts, New York and North Carolina — have enacted laws authorizing the establishment of credit unions. At a meeting, called the All-American Farmer-Labor Coöperative Congress, held in February, 1920, and attended chiefly by representatives of railway unions and farmers' organizations, much emphasis was laid upon the importance of credit unions. "It seemed to be accepted all around as a primer axiom that nothing alive, continuous, permanent and worth while as a coöperative movement can be set in motion until a sound working system of banks and credit unions is established." [1] Some interesting tentative proposals were also made at this meeting. It was suggested that a chain of "peoples' banks" be established and that the railway brotherhoods transfer their funds, said to be over $40,000,000, to these banks. The president of the Brotherhood of Maintenance of Way Men is reported to have stated that his organization had spent over $1,000,000 in the purchase of factories and knitting mills to manufacture socks, sweaters, underwear, etc., for the members of the union. It was proposed to bind the coöperative selling associations of the farmers and the coöperative stores and the factories of the workers into a harmonious system. Said a representative of the farmers: — "We are ready to shake hands over the city gate with you labor men and cut the high cost of living."

[1] *The Survey*, February 21, 1920.

Building and Loan Associations. This restricted form of credit association is found chiefly in Great Britain and the United States. It is used almost solely to aid wage earners and small salaried workers in acquiring a home. Small sums of money are collected from all members and loaned to certain members desirous of building or purchasing a home. An appeal is made to the pride of home building and home owning. The typical association is local in scope. A group of people living in a city or town agree to merge their savings in a fund for building homes. A corporation is organized in which a member of the group becomes a stockholder to the extent of one or more shares. A share in a Building and Loan Association is usually valued at $200; but payments may be made in small monthly instalments. Interest is allowed upon the sums paid in; and the interest thus credited reduces the total amount of the payment. The money collected monthly is loaned to members to be used to build or purchase homes under the supervision of the officers of the Association. No sum larger than the face value of the shares for which the member has subscribed is loaned. The property is held as security by the Association. The loan is usually made to the one who offers the highest premium in addition to the customary rate of interest. A borrowing member pays the interest on his loan and the monthly instalment on the share which he holds; but eventually the paid-up stock is used to cancel the debt. The following table presents statistics of the building and loan associations of the United States:

Year	*Number of Associations*	*Assets*	*Membership*
1895	5,973	$624,700,318	
1900	5,490	614,119,175	
1905	5,326	646,765,047	1,686,611
1918	7,269	1,769,142,175	3,838,612

Through the instrumentality of these associations many skilled workers and salaried men have become real estate

owners, thus increasing the number of conservative wage earners. The great majority of workers whose wages are small are not affected by this method of coöperation, as their wages are insufficient to allow them to become members. The increasing value of real estate and the increasing cost of building material are factors which militate against the system. The insecurity of the job of the average unskilled or semi-skilled worker makes him hesitate about joining a Building and Loan Association. Finally, many labor unionists believe that employers will take advantage of the home owning employees, and will lower, or refuse to increase, their wages. The home-owning employee must accept the situation or move and perhaps dispose of his home at a financial sacrifice. The Building and Loan Association offers no important aid to the average member of a labor organization.

Producers' Coöperation. In the pure and simple form of producers' coöperation a number of workers unite to operate a productive enterprise. They furnish or borrow the capital, and elect the manager of the business. The ultimate control of the enterprise rests with the workers not with the owners of capital. Each worker is allowed one vote; and all workers in the establishment are admitted to membership. Such is producers' coöperation in its normal condition. Such a system is theoretically excellent; it appeals to the idealist. In actual practice, however, producers' coöperation has encountered many obstacles.

The gilds of the medieval period were in reality forms of producers' coöperation. The employer or capitalist function was not as yet differentiated from that of the workmen. With the downfall of the gild system, producers' coöperation vanished. The first isolated example of a coöperative society of producers is found in England in 1777. A few tailors on a strike formed a coöperative association. But France is the real cradle of producers' coöperation. A society of jewelers

was formed in 1833, a decade before the attempt of the Rochdale Pioneers. The revolutionary disturbances in 1848 ushered in many attempts at coöperative activity. The government loaned money to certain associations, and favored associated groups of workmen in granting public contracts. This movement was based on the quicksands of enthusiam and sentimentality. Failure was the end of practically all of these ephemeral and subsidized ventures. A small number of these associations are found in France at the present time. In England, a few associations are also in existence.

In the United States, attempts have also been made to establish producers' coöperative establishments. There is reason to believe that in 1730 a coöperative movement was started among the fishermen of New England. The first well-authenticated movements were those of the Philadelphia cabinet makers in 1833, the molders of Cincinnati in 1848, and the Boston tailors in 1849. During the decade of the eighties, the Knights of Labor were responsible for the organization of many coöperative associations. The most famous and successful of the American attempts is that of the coopers of Minneapolis. The first endeavor was made in 1868; a second venture was started in 1870. These were failures. A third attempt was made in 1874, and an association was formed which is still doing business. In 1886 there were seven cooperative companies; in 1905, only three of these survived. Other companies have started since 1886, but all have ceased to do business. Two out of four private cooperage shops have disappeared since 1886. The cooperage business as an adjunct to the flouring industry of Minneapolis is a declining industry. In 1890, 45 per cent of the flour was packed in barrels; in 1905, only about 20 per cent. The actual number of barrels used for flour is not increasing. The stationary condition of the industry is, of course, not favorable to the growth and prosperity of coöperative establishments. The

assets of the three coöperative companies surviving in 1917 was, however, somewhat greater than in 1886. The coöperative companies hire some non-members; and evidences may be discerned of a tendency toward joint-stockism. The organization of coöperative establishments among the Minneapolis coopers has given greater permanence and regularity of employment to the membership of the association; it has improved and strengthened the character of the workers; and it has proven that democratic control does not necessarily involve dishonesty, insubordination, or frequent changes in the personnel of the management.[1]

The longshoremen have utilized producers' coöperation in a simple but interesting manner. The locals have divided their members into gangs. Each gang elects its own foreman; and the union distributes the work among the gangs. The foreman collects the wages for the entire gang, and divides the amount equally among the members, himself included. The union is practically a contractor. Loafing is corrected by the public sentiment of the gang, as it is to the interest of the gang that all work and work efficiently.

It is difficult for manual laborers to give sufficient weight to managerial ability. Coöperating workmen are usually loath to pay sufficient wages to secure an efficient manager; nor are they willing to give him sufficient authority in the management of the plant. Industrial democracy, as found in producers' coöperation, has thus far exhibited the faults of early political democracy — lack of emphasis upon experience and expertness, frequent changes in officials, and the like. Up to the present time, with a few exceptions, capitalistic management of business enterprises has proven far more successful than management by employees.

Prosperous producers' coöperative establishments usually deliberately sacrifice the fundamental principles of coöperation

[1] Virtue, *Quarterly Journal of Economics*. Vol. 19: 527–544.

by refusing to admit new members as equal associates. The coöperative society tends to change into a joint-stock company. In 1900 the spectacle makers of Paris had about fifty members, fifty "adherents" or candidates for membership, and 1200 paid employees. The members were wealthy; and the society was in reality nothing more than a partnership or a joint-stock company. The genuine coöperative form has entirely vanished. Prosperity and the desire to keep control of the profits led to the breakdown of the coöperative establishment. A coöperative association was formed in 1902 by the employees in the polishing and plating department of the Eastman Kodak Company. This association was placed in the hands of nine directors. Any person wishing to withdraw must first offer his interest to the company. In less than three years, the number of coöperators was reduced to five; but these five coöperators were hiring men to help them. "Moreover, an open shop had been established, and the demands of the local union were declared too extreme to be considered." The thirty-four men who organized the society were union men in 1902. This experience shows how passing from the status of employee to that of an employer modifies the point of view. It also further illustrates the dangers which face a producers' coöperative association.[1] The "Nations" of Antwerp also furnish a very interesting instance of the disastrous effect of prosperity upon a coöperative association of producers. Practically all the loading and unloading of vessels in the port of Antwerp are done by coöperative gangs or "nations." These gangs were originally formed upon a purely coöperative basis. Within the last forty or fifty years those on the inside have refused to take in new members. The society is now virtually a firm of well-to-do contractors, and the characteristic marks of a sweating system have appeared.

[1] Adams and Sumner, pp. 418–419.

Difficulties often arise because of the lack of capital, or the inability to find customers in the face of fierce competition from non-coöperative business. Unless the work is practically of a uniform character it is difficult to make a satisfactory division of profits. Again, when losses instead of profits appear the danger of disruption is not small. The menace is a double one. When successful, a producers' coöperative society is in danger of degenerating into a joint-stock company; when its success is uncertain and profits small, disruption is almost certain to follow. A producers' coöperative establishment is most likely to be successful (*a*) when it is operated in connection with a consumers' coöperative establishment, (*b*) in a business which is not complex, (*c*) when the importance of managerial ability is not great, (*d*) when there is little difference in the skill required of the various workers, and (*e*), as in the case of profit sharing, among workers who have not been pushed to the limit of their productive capacity.

Conclusion. The coöperative store eliminates certain wastes in the competitive field; but the large department store accomplishes the same results. In one case, the consumers receive a larger percentage of the reduction in the cost of doing business than in the other. If, however, the reduction in the cost of living due to the economies resulting from membership in a consumers' coöperative association makes possible a reduction in wages or prevents an increase in wages, consumers' coöperation may be of little or no real value to the wage earner. And if wages in certain industries are to be fixed in the future by means of a careful estimate of the cost of living, made by wage boards or boards of arbitration, the value of coöperative buying to the wage earner in those industries is problematical. It may be asserted that, if the wage earner is enabled to retain the profits of coöperative buying, consumers' coöperation must be accompanied by strong union organization.

Unless consumers' and producers' coöperative enterprises are united there is an essential element of antagonism between these two forms of coöperative endeavor. The former seeking to reduce prices, while the latter is interested in raising the price of its own products. Producers' coöperative associations come into competition with each other in the same way that competition arises between rival non-coöperative firms. Only as these enterprises become nation-wide is the element of rivalry and competition eliminated. In that case a condition approximating socialism is attained, and voluntary coöperation would pass into compulsory coöperation. The benefits to be derived by the wage earners through coöperative activity "are limited by the possibilities of the two varieties of coöperation, the one which gives the profits to the purchaser, but cannot raise wages, and the other which gives the profits to the producer, but cannot prevent the action of cut-throat competition." [1] Coöperation is not a substitute for trade unionism. If used in conjunction with trade-union action it may be of value to the wage earner; but there may be danger of weakening trade unionism by looking constantly at the small gains to be derived through coöperation.

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CHAPTER IX[1]

SCIENTIFIC MANAGEMENT, OLD AND NEW

The term industrial revolution is very familiar; it has been applied to the rapid adoption of new tools, machines and scientific processes. But "social invention" is typical of the present epoch. What may be tabulated under the head of social invention, efficiency engineering, or scientific management? Efficient combinations of labor-saving machines, accurate information as to the time and energy required to do specific jobs, motion studies of different craftsmen, and psychological and sociological studies of the kinds of incentives which most stimulate workers to do their work efficiently and with interest — these are some of the important planks in an efficiency program.

Industry may be studied from the technical or non-human side or from the human side. Industrial experts have devoted much attention to the study of materials and machines, but unfortunately until quite recently only a minimum of attention has been directed to the investigation of the most important factor in production — men and women. In the words of another, "man is on the way to master inanimate things, but hitherto the failure has been in treating human beings too much like things." Wage workers have been treated as machines, as hands, as "factory fodder." Without exaggeration, it may be asserted that one of the most important, if not the greatest, economic problems of today is that of

[1] The greater portion of this chapter is found in two articles by the writer, "Scientific Management and the Wage Earner," *Journal of Political Economy*, October, 1912, Vol. 20; and "The Human Element in Industry," Presidential Address, *Michigan Academy of Science*, 1919.

releasing effectively and efficiently the productive energy of human beings and of groups of human beings. Few individuals work up to their possibilities and rarely are groups of individuals properly and harmoniously coördinated for the most effective results. Factories are filled with wage workers, but what is needed is an efficient and eager working force. There is much latent talent and energy in the mass of breadwinners which is rarely utilized in productive industry. Our participation in the World War partially revealed America's "tremendous dormant industrial capacity." The older form of efficiency engineering of which the greatest exponent was the late F. W. Taylor, laid the emphasis upon the mechanical elements involved. The more recent type stresses the human side of industry. The worker is being studied as a human being rather than as a machine; it is recognized that physiological, psychological and social problems are involved in any study of industrial efficiency and management.

Efficiency engineering is interested in two somewhat interrelated matters. The first is efficient systematization of the work in a given factory from the engineering or the mechanical point of view — the routing of the work, proper cutting speeds, the care of tools and machines, and the like. The second factor is psychological and sociological in its nature; it relates to the effective methods of "energizing" the workers by providing potent incentives and by stimulating interest in the work. The first is the more simple of the two problems but it cannot be carried out successfully without solving the psychological problem. Since technical improvements in machine-shop methods increase the per-capita output of the wage earners, these scientific methods will doubtless be introduced, as were machines, in spite of opposition. Efficient methods of doing work will sooner or later displace less efficient methods just as, for example, the steamboat has

displaced the sailboat, the automobile is displacing the horse upon the streets of our cities, and the giant drop-hammer has displaced the village blacksmith. The transformation may be retarded; but the constant pressure of economic forces will finally break down all opposition.

The second portion of the program of the efficiency engineers was neglected by the pioneers in scientific management. Mr. F. W. Taylor wrote: "This close, intimate, personal coöperation between the management and the men is of the essence of modern scientific or task management." But he apparently expected this coöperation to be brought about by the application of technical methods, by attention to the non-human side of industry. This part of the program cannot be secured by coercion; it can be effectively carried out only when the wage earners harmoniously coöperate with the managers in working out the proposed plan. The fundamental problem of efficiency engineering centers around the treatment of the wage-earners. It is more a problem concerned with the relations existing between the employer and his employees than it is a problem of bookkeeping or of the care of machines or of the selection of tools.

In theory, according to its advocates, scientific management stands for increased productive capacity without increased effort; it aims to do away with lost motion and useless movements. It means maximum results with a minimum of effort; it does not mean "frenzied production." Now, these objects are certainly worthy of approval; and, consequently, opposition to efficiency engineering must arise because of the methods employed in carrying out the policy. Our attention evidently must be directed toward this pertinent inquiry: How, then, can this "close, intimate, personal coöperation" be secured?

It is perhaps worth while at the outset to call attention to the obvious fact that the man who is "working for himself"

does not object to methods or systems which lighten his work. The farmer is glad to obtain a tool which will increase his productivity. Even the conservative wife of the farmer is not adverse to the installation of a new or better pump, a cream-separator, or some scheme which will save steps. Why then, it may be asked, does the wage-earner so frequently resist the introduction of new machinery or of new and scientific methods of performing work? The farmer and the farmer's wife do not fear that the new machines or methods will cause them to lose their positions, or that they will be called upon to do much more work for little more pay. They believe, on the contrary, that their income will be increased and the length of their working-day reduced. In short, they are confident that the results of their efforts will be multiplied. On the other hand, the wage earner feels instinctively, too often as the consequence of past experience, that the system of scientific management is some more or less subtle scheme to advance the interests of his employer at the expense of the workers individually or as a class. How can the viewpoint of the worker be modified until it coincides in this particular with that of the farmer or with that of the man who is "working for himself"? This points to another fundamental problem for the efficiency engineer to solve.

The wage earner is today insistently demanding that a portion of his share in the advantages accruing from the introduction of improved machinery and of scientific management be given to him in the form of a shorter working-day. His conception of a desirable form of society in the twentieth century is not one in which a certain number of individuals work at high speed during a long working-day, but one in which all work during a short working-day. There are, obviously, at least two alternative methods which may be pursued in producing a given quota of economic goods and services: a small number of men may be employed for a long

working day or a larger number for a shorter working day. From the standpoint of the wage earner observing a large and apparently growing army of unemployed, the second alternative is by no means repulsive. His ideal is not necessarily maximum productivity per worker per day, but a condition in which work and recreation are blended for each and every individual. And, if economics is "the reasoned activity of a people tending toward the satisfaction of its needs," shall the economist confidently assert that the wage earner's ideal is one worthy only of contemptuous rejection?

If scientific management has great possibilities, the effect of its introduction may not be unlike that caused by the displacement of the hand tool by the machine. Not only may increased production be anticipated, but also the displacement of workers, temporary unemployment for many, and a multitude of industrial evils which accompany every important readjustment in the sphere of industry. The introduction of scientific management bids fair to cause "another intensive, resistless reordering of industrial life." And the wage earner, with his skill as his sole capital, with only a small savings account or none, and with a family to provide for, is justified in manifesting alarm. A "resistless reordering of industrial life" usually means, for many wage earners, unemployment and uncertainty. John Stuart Mill asserted that "hitherto it is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being." Will scientific management do so?

The employer and employee of today are subjected to very different experiences and disciplines in industry. The employer moves in the sphere of contracts, buying and selling, the non-technical realm. The employee is continually in touch with the concrete, the crudely tangible, the machine, raw material and finished products. Both the worker and the manager are stamped and modified by the pressure of the

modern machine process. Scientific management carries the machine discipline to its logical conclusion. It entirely eliminates rule-of-thumb methods, guess-work, personal initiative. The handicraft method is entirely eliminated. The introduction of scientific management will still further develop the peculiar psychology of the wage-earning class; it will tend to widen the already wide breach between the machine operatives and the middle class. Although, if accompanied by a shorter working day, the experience gained during the leisure hours may exert pressure in the opposite direction. The psychological effect of the machine process and of scientific management is worthy of careful study.

Before passing to a consideration of the conditions which are requisite for the successful outcome of scientific management, it seems appropriate to notice some of the points made by Mr. F. W. Taylor in his book, *The Principles of Scientific Management.* These points have a direct bearing upon the later discussion of the topic under consideration.

Mr. Taylor declares that under an adequate system of scientific management, "each man should daily be taught by, and receive the most friendly help from, those who are over him, instead of being, at the one extreme, driven or coerced by his bosses, and at the other left to his own unaided devices." In this manner, it is urged, "systematic soldiering" on the one hand and injurious speeding-up on the other hand will be avoided. But is it reasonable to expect that the workers will willingly and contentedly leave the determination of the definition of systematic soldiering and injurious speeding-up to the inevitably prejudiced judgment of their employers? The views of organized labor are well expressed in the following sentence: — "To experiments which may be made in the name of science to discover the highest speed which a machine can attain, its greatest capacity for production, and the minimum length of time in which its usefulness can be

exhausted before it is discarded and thrown on the scrap heap, labor has no objection," but laboring men will object to similar experiments performed upon themselves.[1]

The model workman, from the standpoint of the typical efficiency engineer, is the vigorous man who freely expends all of his surplus energy during working hours and who utilizes his non-working hours only for recuperation and preparation for another day's work. It is not the purpose of efficiency engineering to allow the worker to depart from the door of the factory at night with more than a minimum of surplus energy for recreation, for family life, for civic duties, or for trade-union activities. In short, there is little in the actual program of efficiency engineering which indicates that the wage earner is to be given opportunity for individual development — and the various paternalistic endeavors classified as welfare work have not been overlooked. A human machine rather than a man is the "model workman." One also finds little, or more accurately nothing, in Mr. Taylor's book which indicates that he appreciated or sympathized with the viewpoint of the wage earner. Even the slaveholder of ante-bellum days was interested in "welfare work." But, of course, the slave owner was interested in the matter purely and solely for the purpose of increasing the efficiency of the slaves or of reducing the cost of production.

Mr. Taylor informs us that a long series of experiments has shown that an increase in wages up to 60 per cent beyond the wages usually paid has a good effect upon the men. But, "on the other hand, when they receive much more than a 60 per cent increase in wages, many of them will work irregularly and tend to become more or less shiftless, extravagant, and dissipated. Our experiments showed, in other words, that it does not do for most men to get rich too fast." But what of the efficiency of the corporation which receives large increases

[1] Frey, *Journal of Political Economy*, May, 1913, pp. 410–411.

in its rate of profits? How do such increases affect the alertness of the managers, the adoption of improved methods, machines, and safety appliances? Can the workers or the consumers afford to allow an employing corporation to increase its rate of profits? If so, how rapidly and how much? This is an unworked field of efficiency engineering. And our efficiency engineers are not enthusiastically interested in investigations of this sort.

The non-social lump-of-work argument is closely paralleled by what may well be called a lump-of-capital argument. Many a corporation composed of individuals who are not in business for their health has obtained a patent upon some new appliance which would cheapen the cost of production, but necessitate the scrapping of much valuable equipment; and, consequently, with the aid of our antiquated patent laws such corporations have quietly shelved the patent. The attitude of the capitalist in such a case is not very dissimilar to that of the workingman who opposes the introduction of machinery or of new processes which threaten his trade or his lump-of-labor. In addition to the prevention of soldiering on the part of workingmen one of the problems of a well-rounded program of efficiency engineering would be to prevent the shelving of new appliances and machines, and perhaps, to call for a modification of patent laws.

All careful and disinterested students of efficiency engineering will doubtless admit that such systems are advocated by the employer, that the employer instituting them expects to direct their operation, and that the systems are adopted primarily for the benefit of the employer. The problems connected with the various systems are viewed from the standpoint of the employer and capitalist. Benefit to the wage earner is perhaps considered to be an incidental advantage; but it is a secondary matter. The bright and shining goal — the attractive lure — is lowered costs and in-

creased profits rather than better workmen and citizens, or more leisure and culture and enjoyment for the toiling mass and their families. Is it reasonable to expect that the wage earners, organized or unorganized, will grow enthusiastic over a lop-sided system of scientific management? If, as Mr. Taylor declares, "close, intimate, personal coöperation" is required to "energize" a plant, efficiency engineering cannot reach a high degree of success while the workers distrust the motives of the employer, or as long as the workers in the plant are convinced that the employer is trying to get more work out of them without proportionally increasing their pay.

The average American citizen looks askance upon an arbitrary government which is in no way under the control of the mass of governed. The despot, whether enlightened and benevolent or not, would be regarded with suspicion and would not be tolerated. Men have repeatedly and vigorously objected to arbitrary action on the part of government. And for centuries the western world has been moving toward democracy. The Louis XIV view of government is obsolete, but absolutism in industry has not disappeared from the business world. Will not, therefore, the average wage earner, granted political privileges but shut out of the councils of industry, distrust the management of the business in which he earns his daily bread? He will certainly see in the plans of the employer schemes for quietly and effectively squeezing the laboring man. The workers in our shops, factories, and mines can no more be expected to look with favor upon arbitrary changes concerning which they have not been consulted, than can the average citizen of today be expected smilingly to abide by the rulings of an arbitrary monarch.

The day of the individual entrepreneur is of the past, not of the present nor of the future. We may regret his going; we may vociferously assert that he was superior to the giant corporation with its collection of mutually independent units,

and we may argue that the rivalry between entrepreneur and entrepreneur is essential to business progress and industrial efficiency; but the corporation is here, and here to stay. Likewise, the day of individual bargaining with the isolated worker is passing. Employers may strive to delay its going; but in vain will be the effort. Professor Commons has pointed out that unorganized as well as organized workers are willing to strike for the right to bargain collectively. "It is their desperate recognition that the day of individual bargains is gone for them." It is safe to assert that efficiency engineering will not be successfully introduced and maintained by union-smashing corporations demanding individual bargaining with workers, because "close, intimate, personal coöperation between the management and the men" obviously is impossible under such conditions.

Organized labor is definitely committed to the method of collective bargaining; and both organized and unorganized wage earners recognize that, except in a few highly skilled trades and in the case of farm laborers, the individual bargain leads toward a sweating system. The employer who demands the continued use of the individual bargain, whether the demand is made in the name of liberty and the freedom of contract or in the name of efficiency, becomes an object of suspicion. Individual bargaining is productive of distrust rather than of harmonious coöperation. And consequently efficiency engineering can only hope to succeed, in the long run, in energizing workers by utilizing the collective bargain. And accepting the collective bargain means the partial admission of the representatives of the workers into the councils of the employers. It is a tentative step away from autocracy in business; it is a step toward putting industry upon a peace instead of a war footing. Collective bargaining and the admission of the workers into the councils of the management are essentials of close coöperation between the management

and the employees. But the leaders in the movement for efficiency engineering have not, as yet, given this fundamental fact definite recognition.

In fixing upon the remuneration to be given to the wage earner in a factory where scientific management is utilized, two points must be determined: the day wage and the amount or rate of the premium or bonus. In either case it is possible to utilize the collective bargain. The premium rate as well as the day wage can undoubtedly be fixed by means of the collective bargain. Scientific management can therefore utilize the collective bargain; it is not restricted to the individual bargain. And it is not clear that the wage earner need oppose. Although under the premium plan, all workers in a given class would not receive the same weekly wage, yet the premium rate could be adjusted by agreement between the employer and the officers of the union. And the rate also could be so adjusted as to militate against over-driving. The spokesman of organized labor informs the general public that the union demands a minimum wage, not a uniform wage. But a reasonable premium plan would offer a minimum wage with an opportunity to receive a bonus for efficiency. This would not necessarily militate against organized labor unless a flat rate of wages within a given class of workers is essential to the maintenance of union solidarity.

It is also quite essential to the success of collective bargaining that a determination be made of what is a fair day's work. Although scientific management offers only an empirical solution of the problem of a fair wage, it goes further in regard to the important matter of a fair day's work. Before the days of scientific management there was little or no exact knowledge as to the amount of work which a craftsman or laborer ought to do in a day. Like the matter of a fair wage, a fair day's work was settled empirically, hence, the employment of speeders and of prodding foremen. A period of de-

pression has always been an excellent stimulant for the average worker. But time cards, stop watches, motion studies, cost systems, and functional foremen, are giving us accurate definitions of a fair day's work. Wage earners and employers may not agree as to all deductions derived from the data accumulated; but accurate information is desirable. We are rapidly approaching a time when, in our large industrial establishments at least, one cause of contention between employer and employee will disappear or at least be greatly minimized. A fair day's work may now be determined within a reasonable degree of accuracy by scientific methods.

One of the greatest weaknesses of scientific management as presented by its best exponents is the utter disregard of the workingman's point of view. It seems never to occur to these scientific experts in the employ of organized capital that the worker has his own loves, hates, aspirations and desire for freedom. Smaller pay, declares the wage worker, with some approach to a voice in the management is better than larger pay and industrial autocracy even though the autocracy be sugar-coated and called scientific or "positive" management. Wage earners have been somewhat distrustful of "welfare work"; they prefer to be "free rather than clean." A similar situation obtains in regard to scientific management as the utterances of labor leaders give abundant evidence. The wage worker may be mistaken, and he may be short-sighted and superlatively selfish; but he is in earnest and his point of view must be reckoned with. On the other hand, is it not conceivable that the efficiency expert may have neglected some factors in the complex problem which he is studying? Labor organizations exist not only for the purpose of obtaining certain specific benefits for wage earners, such as higher wages and a shorter working day, but they are also expressions of a working-class movement toward de-

mocracy and equality of opportunity. Is not this fact, for example, too often overlooked by the ardent advocates of scientific management as it is now outlined?

The newer type of efficiency engineers, possessing a broader vision than the pioneer advocate of scientific management, points out that the goal of progress in the industrial sphere is two-fold: — (1) Increased production at diminishing expense, and (2) increasing satisfaction on the part of workers in their work. Work, as well as leisure, should offer opportunities for self-expression and enjoyment on the part of the rank and file of workers. The United States sorely needs more training for the sort of efficiency which is not merely predatory, for the fine and rare variety which makes for industrial harmony and social well-being. We should have more careful consideration of desirable modifications in the old and accepted forms of control in industry. In order to raise the level of efficiency in American industry and to insure industrial peace, it is urged that two steps be taken. (1) Greater emphasis should be placed upon the development of individuality in industry. (2) Industrial autocracy should be replaced by some form of industrial democracy or constitutionalism. It is held also that the first cannot be taken without the second.

Many of the fundamental concepts of American democracy may be traced back to the pioneers of the days of Jackson and William Henry Harrison; and Americans are quite inclined to believe that industry until recent years has ever taken the form of the small-scale business of the period from 1800–1850. We are disappointed if the workers of today do not display the same interest in their work as did the pioneer farmer or the small-shop craftsman when working for himself. The employer and the man-on-the-corner today expect the carefully directed worker, deprived of all opportunity for initiative, self-assertion or responsibility, doing a certain

simple task over and over again to exhibit the interest and zeal which is traditionally described to the pioneer American. The common mode of procedure has been vigorously to denounce the worker of today, especially if he be a member of a labor organization. Few have stopped to inquire: — Why are conditions as they are? What steps will insure betterment?

But, with certain exceptions such as are presented by the gildsmen of Western Europe and by the American pioneers who virtually employed themselves, history discloses that from the early days when the captives in battle were forced to till the soil for the benefit of their conquerors, through the long hopeless ages of slavery and serfdom, to the modern wage system with its definite contractual payment of money wages, the great mass of the world's workers have been dragged unwillingly into productive activity. Compulsion — the fear of the lash, of discharge, of hunger, and of the lack of comforts — has been the potent, but negative, force which has throughout the ages hastened the steps of the lagging worker. This negative incentive has not and cannot make for efficiency, for joyful and creative work. Coercion will not produce good work; it is first necessary "to produce desire in the heart of the workman to do good work." "Man's place in industry is not to be mastered but to provide free and willing service."

Even today according to critics of the present industrial situation, "the whole industrial arrangement is carried on without the force of productive intention; it is carried forward against a disinclination to produce"; and a disinclination to produce will inevitably breed unreliability and inefficiency. Consequently, the present industrial arrangement in common with the earlier forms known as slavery and serfdom, must be inefficient from the standpoint of output, and also deadening and debilitating in its effect upon the indi-

vidual workers. In this connection it may also be pointed out that the growth of the corporate form of business and the tendency to interpose "layers of corporate securities" between the owners and the property actually owned, tends to destroy the "pride of ownership" and the "joy of workmanship" which the owner so often exhibited in the days when smaller-scale and more simple industrial enterprises were the rule. The typical owner of corporate securities is an investor or a speculator rather than a person interested in the technical processes of production. The tendency toward routine, toward scientific management, and toward centralized and depersonalized supervision in modern large-scale industry is making "individuality in industry" a rare phenomenon.

The negative incentives furnished by compulsion are not only inefficient now as was also true in the days of slavery and of serfdom, but, in an era of democracy and of compulsory education for all classes, unless reënforced and modified by others of a more inspiring and stimulating type, the negative incentives provide social dynamite which will sooner or later put civilization in the imminent danger of a serious social upheaval.

The complex of instincts, habits, passions, prejudices, likes and aversions called man is the slowly and painfully evolved product of unnumbered generations. Man is the resultant of generations in which there was little of routine, regularity or reasoning. Man is endowed with almost ineradicable instincts and impulses which are the fruits of environmental conditions in the ages past. Modern industry on the contrary is a recent and artificial contrivance; it is the gift of the last two or three generations. The man who has become a cog in the gigantic articulated modern tread-mill is subjected to experiences and influences which cut across, thwart

and inhibit many of the impulses and keen desires which he has inherited from the long ago.

The problem of the social sciences — if they have any adequate grounds for demanding the appellation of sciences — is to hasten the adjustment of associated men to the conditions of modern life and to reduce the friction accompanying such adjustment. To accomplish this purpose evidently both the environmental conditions and the psychology of human beings must be carefully investigated. There is reason for believing that the fundamental impulses and instincts of mankind have changed little since the primitive man appeared. According to McDougal "men are moved by a variety of impulses whose nature has been determined through long ages of evolutionary process without reference to the life of man in civilized society." Such being the case, our problem becomes one of finding out what these fundamental impulses, instincts and emotions are, and to find expression for them in ways which make for uplift and racial betterment. Repression inevitably spells danger. It is quite clear that the instincts, which long racial experience have evaluated as essential to survival cannot be easily swept aside by a few generations of regular industry, relative peace and plenty. We must reckon with them. To continue to disregard them is to close the door upon the possibility of making economics or sociology scientific. Assuming that human nature is not plastic or easy to modify, the most practical solution of the problem of industrial efficiency may be judged to lie in a definite and planned attempt to modify industrial conditions so as to offer as far as possible an outlet for the underlying impulses of mankind.

Heretofore, economists and other social scientists have been prone to consider men — workingmen at least —to be single-track individuals, — persons of few and fairly simple guiding

instincts and impulses. We have built up a sort of straw man and then proceeded with calmness to argue on the basis of this artificial, air-castle-like development of our own making. Students of American industrial problems have rarely stopped to study the actual flesh and blood man and his motives. We have paid little attention to the problem of adapting industry and environment to men. We have naively accepted the crude idea that the great mass of people must fit into the new industrial environment even though it be quite dissimilar to that of preceding ages, — the ages in which the type of man was molded and cast. It was a maxim of Catherine II of Russia that a ruler operates on human skin which is exceptionally ticklish. The same proposition holds in regard to direction and control in the industrial field. It is a ticklish proposition in which the wants, prejudices, preconceived notions, ambitions, and instincts of human beings cannot be disregarded with impunity.

For example, are industrial inefficiency and restriction of output due to the lack of potent incentives which touch the rank and file of industrial workers? Upon the correct answer to this question depends the possibility of formulating worthwhile plans for industrial improvement. The late Professor Parker declared that laziness, in so far as it exists, is "an artificial habit, inculcated by civilization." The slacker in industry is produced by "the job and the industrial environment." Students of child life are practically agreed that the normal healthy child is neither lazy nor bad. The artificial environment which adults ignorantly or selfishly provide, often makes him appear to be so. The normal adult is only the youth overlaid with custom, precepts, inhibitions and experiences.

On the other hand, a recent writer who is a student of psychology quite emphatically asserts that "peoples and in-

dividuals are by nature indolent." And, certainly unless prodded by opposition, rivalry, changed environmental conditions, unsatisfied wants or some other potent incentives, human beings tend to settle down comfortably into ruts, amiably to let well enough alone, and to be satisfied with much less than their best or near-best. The normal individual may not be lazy in the sense of desiring merely to loaf; but he does not love the routine of present-day industry as a regular day-after-day, year in and year out process from which the only tangible result from his point of view is a meager living for himself and family accompanied by extreme weariness of the flesh. Normal men may indeed possess an imperious instinct of workmanship or contrivance; but the up-to-date factory practicing minute subdivision of labor is equipped with excellent means of inhibiting this instinct. Undoubtedly, a worker may become so inured to routine that he will feel uncomfortable when out of the traces of his daily occupation; but such is an acquired feeling. It does not make for the zest and interest which lead men to push joyously ahead to newer planes of achievement.

The two points of view discussed above are not necessarily contradictory. Normal human beings are so constituted as to enjoy activity which makes for worth-while results. What is considered to be worth-while obviously changes with time, place and kind of civilization. But, the normal active, non-lazy individual placed in an environment chiefly characterized by monotony and the lack of incentives for improvement or change, will after a time accept the present achievements as sufficient and follow the daily routine without enthusiasm. Certain vigorous and recalcitrant persons will rebel and try to escape from the hum-drum and correctness of the place and period; these are the heretics, the radicals, the I.W.W.'s.

One of our able and successful business managers out of

his experience has put the matter very clearly. "The desire for self-expression is one of the most fundamental instincts in human nature, and unless it is satisfied it is bound to manifest itself in all sorts of abnormal ways which today are working such havoc in society." The late John E. Williams testified before the Commission on Industrial Relations that "the I.W.W.'s would not be very different from the other people if they had the proper organ of expression. It is just that sense of futility of their lot, of their means of action, that makes people resort to these measures of force." The last sentence is worthy of more than passing notice; it presents a vital fact from a man of much practical experience. Unfortunately industry is offering little opportunity for self-expression to the average worker; it does not stimulate the interest of the worker in his work. In the use of potent incentives, modern large-scale routine industry has progressed little beyond slavery and serfdom.

It is too much to expect men to act conservatively and according to the customary procedure when they have little or no opportunity for the normal expression of human wants and desires. If they are unable to satisfy the instinct for food or for self-assertion, they will inevitably become biassed, gnarled, knotted and perverse individuals. To make them more like the well-to-do conservative, the unblessed must be made more well-to-do. The much-abused and much-feared I.W.W. is composed largely of men whose instincts for family life, for acquisition of wealth, for contrivance or workmanship, and for self-assertion have been inhibited. Better treatment, better wages, opportunity in youth to acquire a little property are solvents for extreme radicalism.

Psychologists point out that changed environments have frequently changed individuals in an extraordinary manner, — from ne'er-do-wells to leaders, from criminality to useful citi-

zenship, from sluggishness to a condition of mental alertness. A change in industrial methods, in the workshop conditions, in the incentives to activity, may likewise work marvelous changes in the activities and the attitude of workers. "Primitive man, like his animal ancestors, expended tremendous strength and, having won his fight, relapsed into inaction, revelling in the fruits of victory."[1] The man in the factory, the mine or the store is capable of extraordinary activity on occasion, — note his activity when witnessing a close base-ball game, when on a strike or in case of an emergency such as a fire. The vocation of the mass of wage workers today offers very little to fire the workers or to arouse their latent energy or talents; there are few or no episodes which stir the blood and call for temporary excessive or invigorating expenditure of effort. As a consequence the average worker soon exhibits the all too familiar "tendency to minimum effort." In modern industry, except for a small group, "improvement stimulus" is practically lacking. The great mass of unstimulated workers become uninterested and inefficient workers; they do not feel those incentives which stir human beings into activity. Yet, business competition can be made to offer opportunities for potent stimuli. One force, group or gang may become interested in its performance as compared with that of another or with its preceding performance. But, unless the workers have some very definite voice in determining the conditions of rivalry, in sharing in its benefits, it is presently looked upon as a scheme on the part of the employer to increase profits — and too often with excellent reasons for such conclusion.

The situation in American industry — a skilled staff of mental workers and a mass of routine workers without any voice in the management of the industry in which they work

[1] Swift, *Psychology and the Day's Work*, pp. 28–29.

— runs directly counter to the ideals of American political democracy and to the fundamental principles upon which the American public school rests. The schools of Germany "were organized upon the servility of the people"; but those of the United States on the ideal of individual initiative and equality of opportunity. Unfortunately, in this country industry and, too frequently, the school as well are destroying the plasticity, the initiative and the self-reliance of the youth; and the much-lauded systems of scientific management seem to constitute a further step in the same direction.

The effect of routine in industry is to divide the army of unskilled and semi-skilled workers in this country into two classes: (1) those who are becoming more and more lethargic, and (2) those who rebel against the autocracy of business and the monotony of the work, thus augmenting the ranks of the migratory workers. The trend in industry is to reduce the relative demand for skilled men and to add to the relative number of unskilled workers. The future of the workers in the occupations requiring little skill is, consequently, becoming of increasing significance. The great mass of laborers have little opportunity for self-expression, self-assertion and self-direction. They are in too many workplaces servile, driven, cowed. These conditions do not make for efficient workmanship or for good citizenship. Docile and mechanized workers cannot be as efficient, their per capita output will be less than that of workers who take an interest in their work, who have opportunity to do creative work, and who have some, even though it be small, voice in the management of the business. The laborer may be made to work; but the unwilling worker is below the par of efficiency. Every teacher knows that the uninterested pupil does not measure up to his possibilities; it is not as well understood that the unin-

terested wage worker is the inefficient and careless worker. Moreover, such a situation may easily develop the combustible stuff out of which is formed the personnel of the I.W.W. or of the Bolsheviki. Out of the regimentation of docile individuals into well-disciplined groups of zestless individuals grows the danger of sudden and violent self-assertion.

The thwarting of the instinctive desires among working people tends as in the case of school children, to produce unrest, abnormality, delinquency and, in some cases, violence. Workers, thwarted by industrial conditions, become abnormal men and women. Keen observers have noted the growth of "sullen hostility" toward the employing class on the part of the migratory workers. The great group of migratory or nomadic workers have lost the incentives and the point of view which places emphasis upon workmanlike qualities. They are drifting and rootless workers who are hostile to employers, to organized society and to the ideals which the middle class and the more conservative type of workmen blessed with home ties and a stake in life, holds dear. The problem is not one of statics or of going back to a pre-War footing; it is rather one of movement toward some type of industrial democracy or toward syndicalism and I.W.W.-ism. The urgent problem is to find a practical middle ground in industry between autocracy or Prussianism and syndicalism or Bolshevism.

Programs for reconstruction or readjustment should be formulated with this situation in mind. The reactionaries of today are playing into the hands of the syndicalists and ultra-radicals. Punishment alone is insufficient in dealing with criminals; and it will likewise prove insufficient in dealing with the radical members of the I. W. W. The United States should give them an opportunity to earn an honest livelihood, to gain a semblance to equality of economic

opportunity, and to satisfy the fundamental and deep-seated instincts of human nature such as self-assertion, acquisitiveness and contrivance. If we are not ready to take this step toward making this country safe for democracy, let us again read the records of historic political and social upheavals.

The ideals of the American educational system — though very imperfectly carried out in actual practice — call for the development of thinking and self-reliant individuals. For the rank and file industry has been putting a premium upon docility and the absence of thinking or contriving. Why ask our public schools to train the great mass of workers, if the latter are to become semi-automatic human machines? In fact, such training aids in increasing unrest and discontent. The remedy, however, is not retrogression in regard to education. The remedy for many of the social and industrial ills of today is to be found in greater individualization in the work-shop, in greater stimulation of the spirit of initiative and self-reliance, and in a growing interest in the quality and quantity of output, among the great drab mass of wage workers. How can this remedy be applied?

The problem is: Can routine, subdivided industry be made interesting? Can the "creative impulse" be given play? Can the "adventure of business" be opened up to the wage workers? Or, must plans for betterment be directed solely or, at least in a large measure, toward securing the short working day and such utilization of leisure time as will make for physical, mental and moral uplift? The second alternative is one worthy of promotion; but our present concern is with the former. In fact, if more potent incentives were disclosed in industry, if workers became more interested in their work, if one's work expressed in some degree his individuality, and if the workers were given a

share in the responsibility of management, the recreation problem would be less difficult of solution.

The much-heralded and much-lauded scientific management has accomplished important results; but it has fallen short of maximum possibilities. As has been pointed out, efficiency engineers almost without exception have failed adequately to take into account the human side of the industrial equation. In their neatly prepared programs, the employees are as pawns to be moved at will on the industrial chessboard. The workers are practically shorn of all responsibility. But the road to efficiency in industry and to interest in work and output does not lead toward bureaucratic control. The most vital weakness in scientific management of the typical sort is that it does not lead the workers to take an interest in increasing the output of the shop. It is not argued that all work can be transformed into pleasurable activity. Quite likely work will remain work, and play continue to be play. But it is asserted that in some measure the drudgery which so often accompanies work in modern industry may be reduced, and that it is possible to make certain kinds of routine work interesting. Further, it is contended that this may be accomplished in part by giving the worker some voice in the planning and administration of industry, by providing a vent for his instinct of contrivance, and by making him feel that his work is worth-while.

A recent and promising step has been taken by certain managers of industrial plants. It is an attempt to introduce individuality into industry, to treat the worker as a self-respecting man capable of taking some responsibility upon his own shoulders. "It is our plan," writes Mr. R. B. Wolf, "to increase his [the workers'] responsibility, and we feel that it is our duty to teach him to exercise his reasoning power and intelligence to its fullest extent." A definite attempt is

made to enlist the creative spark which is the inheritance of all men, in increasing productivity. The desire to go good work which all men possess is appealed to. The personal touch between management and men is introduced. Bonus schemes and premium plans are little used as incentives. This plan is a long step in the right direction. The greatest weakness in it as an adequate solution of the labor problem is disclosed by pointing out that no provision is apparently made for control by the workers. It is not necessarily a step toward industrial democracy; but it does give some recognition to the psychology of the workers. The development of trade agreement and shop committee systems also gives promise of new and better industrial conditions and relations.[1]

Many forward-looking business concerns, facing difficult reconstruction problems and aware of the existence of unusual industrial unrest, are experimenting with an extraordinary number of industrial innovations; and hard-headed individuals are ready to sneer and to point out the impossibility of success. It should not be forgotten, however, that every worth-while innovation meets ridicule and opposition. One writer on business affairs puts the matter in a nutshell when he writes: Many managers "don't want to learn new ways." They want to get results in their way. The ways of business managers are too frequently traditional and autocratic. The foundation principles come down from the time of slavery. Little or no attention is paid to the wishes or ideas of the workers. It is assumed by the old-fashioned employer that the average worker is a blockhead and one to be driven. The former puts fear into the breasts of the workers. The possibility of harmonious conferences in regard to grievances and production methods is scouted.

[1] See Chapter X.

The traditions of the American business world regarding the rights of employers and employees and of the relations between managers and men are about to suffer from disturbing influences. A new era is dawning; but just what it will be depends greatly upon the willingness and the ability of leaders in the business world to adjust their policies and to study the situation from other points of view than that of the man "who proposes to run his own business to suit himself." "The job must be made worth-while" for the worker, — if efficiency is to follow. The old idea that the essence of the labor problem consisted in keeping laborers contented on wages which were insufficient to live upon, is being replaced by a more hopeful, humane and scientific point of view.

The leader of the new type in industry is studying men. He pays good wages, maintains a model plant, uses some form of the shop-committee system, and makes it possible for his employees to hold up their heads and be men. The new industrial leader recognizes that human energy can only be released and properly guided by utilizing the motives which underlie and determine human conduct. It may again develop into a case of democracy and many mistakes versus autocracy and smooth action. But in view of the peculiar make-up of the human being, autocracy and smooth action may spell inefficiency through subtle forms of sabotage and the lack of zest or interest in the process or in the amount of output.

Up-to-date, labor organizations in the United States have been primarily fighting machines; their functions have been mainly protective. The hostile attitude of employers and employers' associations have inevitably produced this reaction. Unions cannot be expected to take any active interest in production problems until their members are assured that the necessity of continuing as a fighting organization is

a thing of the past. With increasing participation in governmental affairs on the part of labor, guarantees of a living family wage, greater security of employment, a short working day, and the coöperation of committees of workers with the representatives of capital in business management, a marked and significant change may be expected in the structure, ideals and functions of labor organizations, and in the attitude of their members toward restriction of output and kindred difficulties which now bulk large on the industrial horizon. The instinct of workmanship or contrivance, the creative impulse or spark "cannot actively assert itself until the instincts more directly concerned with immediate survival are given satisfaction." [1] Efficiency in industry or in other forms of human endeavor depends in a large measure upon releasing the creative impulse, upon the joint responsibility of labor and capital. Definite recognition of labor organizations and the participation of representatives of the workers in the councils of industry give promise of being fundamental factors in the next forward step in industry. The War has given the idea of collective bargaining a firm foothold. It was very definitely promoted by the National War Labor Board. The war experience of the nation shows clearly that it should become a permanent factor in our industrial organization.

It is clear that many union rules and regulations do not permit of maximum productivity. In England, the exigencies of the Great War made it necessary to sweep aside the great mass of union restrictions. Regulations primarily intended to defend unionism have limited output and impaired efficiency. In a large measure, the problem under consideration is one of transforming unionism from being a negative or restrictive force or factor to that of being a positive or

[1] Tead, *Instincts in Industry*, p. 150.

directive force or factor in industry. As this salutary transformation is in the process of consummation, restrictive rules will be gradually sloughed off. But in view of past experience, it must be anticipated that a large number of workingmen will continue to adhere to the idea that labor organizations are essential to their welfare. It is asking too much to expect labor to rest its cause on the recently awakened social conscience. If the nation is on the threshold of a new era in industrial relations, organized labor must be recognized and bargained with, or at least not discriminated against; and employees through representatives of their own choice must be given a voice in determining working conditions and methods. Under such conditions unions may be expected to divert much of their energy from squabbling over the distribution of the output of industry and direct it toward the new and more alluring goal of raising the level of productive efficiency and of giving the "joy of workmanship" a conspicuous place in modern industry.

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CHAPTER X

METHODS OF PROMOTING INDUSTRIAL PEACE

According to the *laissez faire* philosophy, wages, hours, and all other particulars of the labor contract were fixed as the result of a bargain between the employer and employee. Competition automatically determined in a large measure the terms of the bargain. The general public including the consumers of the products made by the wage earners, were little concerned as to the settlement of any differences which might arise between employer and his employee. Certain rules of the competitive game were promulgated by governmental authority. Violence and the destruction of property were unlawful, contracts must be fulfilled, and any interference with the freedom of competition was illegal under the common law. Beyond these regulations the *laissez faire* philosophy was unwilling to allow the government to go. As long as industries were small, labor unorganized or organized only into local groups, and competition was a live and efficient force, the "third party" or the general public could accept without great reluctance the principles of the let-alone philosophy. If a single individual did not desire to accept the conditions imposed by his employer, he stopped work and his place was either filled immediately by another or left temporarily vacant. The dissatisfied man sought another position in a competing establishment. If a dozen workmen in one establishment quarreled with their employer as to wages, and if a strike or lockout occurred, only a minute reduction of the total supply of that particular product would follow. The market and prices would not be noticeably affected. A

labor difficulty was only of local import, and only disturbed a few people. Bargains between individual employer and their employees did not assume such proportions as to call for outside aid or interference of any sort, and the issue was not of sufficient importance to attract the attention of the general public or of the governmental authorities. Such was the condition which prevailed in the industrial world before the advent of organized labor and of large-scale industry; and such are the conditions which still prevail where labor is not well organized and industry is still small-scale as in the small retail store.

But time passes and industries bulk larger and larger. The railway, the street railway, the telegraph, and the telephone come to be business necessities. Powerful unions arise among the employees, and collective bargaining gradually replaces the individual bargain between the employer and the employee. A labor dispute between the manager and the employees of a railway system, a coal mining company, or a large steel industry now becomes a matter of national import. A switchmen's strike ties up a railway; many towns and thousands of individuals are threatened with a scarcity of food and fuel in the middle of a severe winter. Business establishments are forced to suspend operations, and famine and the winter's cold threaten hundreds who do not know the switchmen or the railway officials. The outside world is no longer willing to wait complacently while the contestants fight it out according to the old individualistic rules of the game. The struggle throws the mechanism of the business world out of gear; it affects the comfort and the happiness of hundreds of distant homes. Suddenly public sentiment crystallizes, and the public demands in no uncertain tones that there shall be no stoppage of the arteries of trade. Transportation facilities, fuel, food, and other supplies are needed. The difficulty must be adjusted and industrial warfare must

end, or society through its instrument, the government, will interfere in order to compel the continuous operation of a so-called private business. The increasing intricacy of the modern industrial system has made the stoppage of business activities a far-reaching and serious matter. New theories of govermental powers are the inevitable consequences of fundamental economic transformations.

Improved means of communication, division of labor, and the centralization of industry have made men interdependent; each has become dependent upon the work of others living in different parts of the country, — of the world, in fact. As our social and industrial organism has become more and more complex, it has at the same time grown more and more sensitive to the improper functioning of any part of the organism. A strike or a lockout means a large area of disturbance and of unsettled conditions. The public becomes the third interested party. Individuals and groups of individuals can no longer be allowed to carry on an industrial war. Such a war is as destructive of economic welfare as a feud is of civic warfare. The civilized substitute for the feud is the law court. The modern alternative for industrial warfare in the great industries which feed the arteries of the business world is some form of industrial tribunal using arbitration, conciliation, or the trade agreement. The evolution of a system of industrial tribunals involves or implies the right of the public through its legally constituted authorities to investigate in the case of labor disputes; it further implies the right to publicity in the affairs of large-scale businesses. Here is a very distinct encroachment upon the old well-defined sphere of private business. In fact, private is now translated by many thoughtful and conservative people to be synonomous with semi-public.

In spite of the nominal adherence given to the *laissez faire* theory, interference with business by society is not a new and unusual phenomenon. Law and order modify the conditions

of crude "jungle" competition. The enforcement of contracts, the passage of protective tariffs, and the granting of subsidies are familiar acts on the part of governments. Bankers have frequently been given governmental assistance in a time of panic. Public carriers, inn-keepers, and cabmen have long been subject to public regulation. Factory legislation dates back to the first years of last century. Provisions for compulsory arbitration or for compulsory investigation and publicity in the case of a serious labor dispute only carry the principle of governmental interference a short step further. Yet, many people fear the effect of compulsory arbitration who are in favor of protective tariffs and ship subsidies.

After large-scale and integrated industry has destroyed the potency of competition as a regulator of wages and prices, the public is placed in a position of dependency if private business is uncontrolled, and all large industries become ripe for public regulation or public ownership. The railways are now generally recognized to be quasi-public industries; and all large businesses producing the necessities and comforts of life are rapidly passing into the same category. At present, two kinds of industry are quite generally recognized as ripe for active intervention on the part of society: — (*a*) industries connected with the public utilities such as railways and coal mines, and (*b*) the sweated industries. In the latter case the government interferes in order to protect the consumers, to protect the weaker members of the wage earning classes, and to prevent racial deterioration. It regulates the public utilities in order to prevent serious disturbances in the business world and to avert suffering and hardship on the part of the consumers and the producers of various necessities of life. There are adequate reasons for the opinion that a serious railway strike affecting a wide area is unlawful under the interstate commerce acts and the anti-trust acts, or under the railway act passed in 1920.

Definitions. As the terms conciliation, arbitration, and trade agreements are given slightly different significations by different writers, it seems necessary to define the terms before proceeding to a consideration of the practical applications of these substitutes for industrial warfare. When a third party in the form of a private or a public board brings employers and employees together with a view to settling some dispute between the two parties, the process is called conciliation or mediation. Arbitration implies an authoritative board or court which is empowered to make an investigation and to settle the dispute. The suggestions or findings of a board of conciliation may or may not be accepted; the mandates of a board of arbitration are binding upon both parties. Arbitration may be voluntary or compulsory, and primary or secondary. Arbitration is voluntary when both employers and employees agree beforehand to accept the awards of the board. Arbitration is compulsory when the government compels the interested parties to submit the case to the board and to abide by its findings. Arbitration may, however, be compulsory only in regard to the submission of the case; the enforcement of the award is then left to the force of public opinion. According to Mr. Gilman, the term, compulsory arbitration, is a misnomer. "Legal regulation" is the term which he uses. Primary arbitration signifies fixing the terms of the labor contract by an authoritative and impartial board. Wages, hours, and various incidental matters are to be determined by the board. It is the process of making the laws which determine the relations of capital to labor in a given industry. Secondary arbitration is purely judicial. The board interprets the existing rules and regulations in regard to the payment of wages and the like.

Trade agreements are compacts in regard to wages and other conditions of employment made by joint conferences attended by representatives of both employers and employ-

ees. The joint conference system is a methodical type of collective bargaining. Under this system disagreements are settled "within the family"; the general public is not represented. In the system of conciliation, the "third party" merely intervenes and offers its services in bringing the parties together; but in the case of a board or court of arbitration the representatives of the public have authority to adjust differences. Under the system of arbitration the right of the public to intervene in so-called private business is clearly recognized.

Conciliation and Arbitration in the United States.[1] The large number of serious strikes in the eighties led President Cleveland to recommend that Congress pass legislation providing for the settlement of labor disputes which threaten to interfere with interstate commerce. A law was passed in 1888 applying to disputes between transportation companies engaged in interstate commerce and the employees of such companies. Provision was made for the organization of a temporary board of arbitration at the request of one of the parties to the dispute, provided the other party agreed. The employers were to choose one member, the employees one, and these two a third member. This board could subpœna witnesses and compel the introduction of material relating to the labor controversy. The board's decision was to be published by the Commissioner of Labor. The award was not binding upon the parties concerned. This portion of the act of 1888 was never used.

The President was given power to appoint two commissioners to act with the Commissioner of Labor for the purpose of investigating any labor dispute involving corporations engaged in interstate commerce. This investigating board also had power to summon witnesses and to order the production of papers. The decisions and recommendations were to be made public. Such an investigating commission was

[1] The chief source of information is *Bulletin of the Bureau of Labor.* No. 60.

appointed soon after the end of the Pullman strike of 1894. The report of the commission urged the extension of a system of intervention by the states, and the modification of the federal law.

The act of 1898 was a tangible result of the work of the Pullman investigating commission. This act, which superseded that of 1888, provides only for arbitration and conciliation, not for investigation and publicity. A permanent board of conciliation is provided for all disputes involving railways engaged in interstate commerce. The chairman of the Interstate Commerce Commission and the Commissioner of Labor constitute the board. Under the provisions of this act, the permanent board may only offer its services as a mediator upon the request of one of the parties to the dispute. In case of failure to adjust the difficulty, the board is required to propose arbitration. Provision is also made for voluntary arbitration. A temporary board composed of three members is authorized. The employers are to chose one member; the employees, one; and these two, a third member. If the first two members cannot agree upon the third, he is to be selected by the permanent board of conciliation. The court has the same powers in regard to procedure as were provided under the act of 1888, but definite provisions are inserted as to the enforcement of its awards. The law "requires that the parties shall bind themselves under pain of liability for damages to refrain from strike or lockout pending the arbitration, not to evade the award for a month at least by ceasing to hire or be employed, and if work and employment are continued, to fulfil its terms for a year and the award is made enforceable as the judgment of a United States Court." [1] Submission can occur, however, only with the voluntary consent of both parties. There was practically no mediation or arbitration under the terms of this law, commonly known as the Erd-

[1] *Bulletin of the Bureau of Labor.* No. 60: 576.

man Act, until December, 1906. Between that date and April, 1911, applications were made in over fifty controversies, and in ten of these all or a part of the questions have gone to arbitration boards.

In 1913, the Erdman Act was modified by the Newlands Law. Under this law the work of conciliation was given to a United States Board of Mediation and Conciliation consisting of a permanent commissioner and two other officials. This Board may act on its own initiative. In case of arbitration, the number of arbitrators may be increased from three to six. Under the two acts (to January, 1917) 121 cases were submitted. Of these 70 were settled by conciliation and 21 by arbitration or by arbitration combined with conciliation. Of the remaining 30 cases, the services of the mediators were refused or a direct settlement made.[1] This Board has failed to achieve important results. As the cost of living increased and demands for higher wages became insistent, the Board became practically powerless. In the controversy of 1916 which led to the hasty passage of the Adamson Act, the Board was unable to function in a forceful manner.

The federal government assumed control of the railways on December 26, 1917. Under the Railroad Administration three railway boards of adjustment were created. Each board functioned with a special class of railway employees. These boards were composed of an equal number of representatives of employees and managers. Their work was restricted to settling minor controversies and making interpretations of general decisions. Under the provisions of the Transportation Act passed just before the railways were returned to private ownership on March 1, 1920, two types of boards were created to handle industrial disputes: — railway labor adjustment boards and a "Railroad Labor Board." Labor adjustment boards "may be established by agree-

[1] Young, *Annals of American Academy*, January, 1917, p. 271.

ment" between the railways and their employees. It is evidently expected that these boards, if established, will function somewhat as did those under the federal railway administration. The important feature of the labor provisions of the act is the creation of the Railroad Labor Board. This board consists of nine members chosen by the President. Three represent the labor group; three, the management; and three, the public. This board is given considerable authority. It is empowered to make investigations as to the relations of carriers to their employees, and to publish the results. It has the power to subpoena witnesses and is given access to books and records relating to matters under consideration. If a dispute regarding wages or other matters cannot be settled by the parties concerned, it shall be referred to the Board. The Board is required to make a decision. This decision is not binding; but the Board is authorized to determine whether or not its decisions are carried out, and to make public the details of the determination. Public opinion is apparently the ultimate court of appeal. However, it may be suggested that in an emergency the injunction may be used by the courts to obtain obedience to the findings of the Board and to prevent a railway tieup. The life of the old Board of Mediation and Conciliation is not ended by this statute; but its powers shall not extend to any dispute before an adjustment board or the Railroad Labor Board.[1]

The act of 1913 creating a Department of Labor, provided that the Secretary of Labor shall have power to act as a mediator and appoint commissioners of conciliation in labor disputes, whenever conditions warrant such action. A conciliation division has been organized in the Department. This division apparently does not intervene in disputes which come under the scope of the railway labor boards. The

[1] *Monthly Labor Review*, April, 1920; Chenery, *The Survey*, February 28, 1920.

mediation work of the division has been fairly successful. It was reported, for example, that the Department of Labor intervened in 122 labor disputes from November 16 to December 15, 1918.

In 1915, about thirty states had laws upon their statute books in regard to conciliation or arbitration in the case of labor disputes. The first state law was passed by Maryland in 1878; New Jersey followed in 1880. A Report of the Bureau of Labor groups these laws into four classes: (1) Local arbitration is provided, and the boards are temporary in character. (2) Permanent local boards may be established by private parties. (3) The State Commissioners of Labor are authorized to arbitrate or to mediate. (4) Special state boards or commissions are authorized.

The first-named system is the earliest system tried in the United States. The laws proved to be of no practical value. In several states this scheme has been incorporated in the law as a supplement to a state board; but in those states the provision has also proven to be of little practical importance. The second system has also been found ineffectual. In only one of the four states placing laws of this character upon their statute books did any tangible results follow. In Pennsylvania a few instances of successful work on the part of private boards are recorded. The success of the third system in five states has not been such as to justify an extension to other states.

A score or more of states have adopted the fourth system providing for permanent state boards for the purpose of intervention in case of labor disputes. Massachusetts and New York are the pioneers, and nearly all the remaining states using this system have copied largely from the laws of these two states. The state boards are usually designated boards of conciliation and arbitration. The members are almost invariably appointed by the governor, and in most

states are confirmed by the state senate. The members are usually three in number, although one officer only is provided in some states. In only a few states have the activities of the boards been considerable. The most successful are those of Massachusetts, New York and Ohio. Three kinds of action can be taken by the state boards, — conciliation, arbitration and investigation. Except under the 1920 law in Kansas, the arbitration provided for is voluntary; the decision is not mandatory. In 1915, 204 cases were submitted to the state board of Massachusetts. "Of these, 86 were voluntarily submitted for arbitration; 100 others were settled amicably by mediation. In 18 others, mediation failed and arbitration was refused, so that the board used the power . . . of making a public inquiry with recommendations. These were accepted by the parties in all except 5 cases." [1] But the records of other states are less encouraging. As yet the habit of referring industrial disputes to a state board is far from being well established.

In January, 1920, the legislature of Kansas passed an act providing for compulsory arbitration in industries "affected with a public interest." This legislation is a direct consequence of conditions growing out of the soft coal strike of 1919. The industries "affected with a public interest" are public utilities, the manufacture of food products and clothing in common use, coal mining, and the transportation of the products of such industries. The act establishes a Court of Industrial Relations which is given the power in the industries covered by the act to decide industrial disputes, to punish strikers, and, if necessary, to take control of industries in which the rulings of the court are not obeyed. An individual or even a group of individuals may quit their employment at any time; but concerted action in the form of an organized strike or boycott or for the purpose of hindering the

[1] Young, *The Annals of American Academy*, January, 1917, p. 274.

operation of an industry "affected with public interest" is unlawful. The three members of the Court are chosen by the Governor. It is not necessary that any particular interest be represented. This law is an experiment attempted in a state in which the industrial situation is not complex. Success in Kansas would by no means prove its desirability in New York or Ohio. It has been bitterly attacked by representatives of organized labor; and it is defended by its friends as a sort of newly discovered panacea. The law is, of course, subject to all of the disadvantages of compulsory arbitration; but the fact that the scope of the act is limited throws into bold relief the evident necessity of the continuous functioning of essential industries. The philosophy underlying the act appears to be that in essential industries the right of the consuming public to demand uninterrupted flow of output is paramount to the right of workers in such industries to use the ordinary union weapons to secure increases in wages or improved working conditions.[1] The attitude of the friends of the Kansas act is well illustrated by the question asked by Governor Allen of Kansas of Mr. Gompers in the course of their debate in regard to the law. "When a dispute between capital and labor brings on a strike affecting the production or distribution of the necessaries of life, thus threatening the public peace and impairing the public health, has the public any rights in such a controversy, or is it a private war between capital and labor?"

Federal Commissions on Industrial Relations. One of the most important and spectacular examples of arbitration in the case of a labor dispute in this country was the settlement of the anthracite coal strike of 1902. Nearly all the anthracite coal consumed in this country is mined within a small area located in the state of Pennsylvania. The strike lasted from

[1] Atkins, *Journal of Political Economy*, April, 1920; Fitch, *The Survey*, April 3, 1920; Huggins, *The Survey*, May 20, 1920.

May 12 to October 23, 1902. Practically all the mine workers, to the number of about 147,000, quit work and remained idle, during the entire period. While the actual conflict was confined to the anthracite region, the effects of the long strike were felt far and wide. Actual suffering and privation seemed to stare in the face many citizens scattered throughout the northern portion of the United States. Practically every householder in the North, dwelling in towns and cities, felt the effects of this strike. Public opinion was stirred as perhaps never before or since by an industrial struggle; old theories and beliefs, venerable with age and supported by the dearest of American traditions, were hastily thrust to one side. The President of the nation, throwing precedent, red-tape, and legal technicalities to the winds, saw fit to use his official influence in bringing the combat to a close, and in arranging for a settlement by means of arbitration. The rights of the general public to demand the uninterrupted mining of coal received substantial recognition.

On October 16, 1902, President Roosevelt appointed the Anthracite Coal Strike Commission. The mine operators and the miners agreed in advance to abide by the decision of the Commission. The miners went back to work, and the Commission made a very careful study of the labor situation in the anthracite region. Their report is dated March 18, 1903. The miners were granted an increase in wages of ten per cent above the rate paid in April, 1902. Various controverted matters, such as the employment of check weighmen and the distribution of mine cars, were considered in the award of the Commission. A method of conciliation was provided in order to settle questions of interpretation of the terms of the award. Strikes and lockouts were forbidden during the life of the award, but the right to discharge workmen without reference to the board of conciliation was not taken from the employer. The worker lost the right to strike,

but the employer was allowed the right to discharge employees with or without adequate cause. This clause in the award militated against the labor organizations in the district. The right to strike is a check upon the arbitrary use of the right to discharge. The award provided for the open shop. According to its provisions no person should be discriminated against because of membership or non-membership in a labor organization. The life of the award was three years, or until March 31, 1906. The Commission recommended in its report that the President be given authority to appoint a commission of "compulsory investigation" whenever a labor controversy arose which threatened to interfere with the free movement of interstate commerce. The chief benefit to be derived from compulsory investigation "lies in placing the real facts and the responsibility for such condition authoritatively before the people, that public opinion may crystallize and make its power felt."

The strike of the bituminous coal miners which occurred in November, 1919, was also settled by the appointment of a commission of three members, one representing the miners; one, the operators; and one, the public. The majority report provided for a 27 per cent increase in wages and continued the eight-hour day. A series of recommendations were made looking toward the early purchase and storage of the winter's supply of coal by various governmental agencies, and toward better distribution of cars by the railways. The representative of the miners, Mr. John P. White, offered a minority report favoring among other things, a greater increase in wages. The majority report was accepted by miners and operators. In June, 1920, a similar commission was appointed by President Wilson to make an award for the anthracite coal district.

The Federal Commission on Industrial Relations was appointed under the provisions of an act passed in 1912 to

investigate the causes of industrial unrest in the United States. This commission was composed of nine persons, — three representing the employers; three, the general public; and three, organized labor. It conducted hearings in various parts of the country and employed a corps of expert investigators. In the Report made in 1915, all the members united in recognizing the important function in the maintenance of industrial peace which should be performed by trade agreement systems, and by governmental machinery for mediation and voluntary arbitration.[1] During the summer of 1917, industrial disturbances in the West tended to lessen the output of certain essential war materials, such as copper and oil. Early in the fall of 1917, President Wilson appointed the President's Mediation Commission to investigate and make special adjustments. The Secretary of Labor was appointed chairman and four others were associated with him. This commission "spent several months in constant travel and investigation, visiting the copper districts of Arizona, the oil fields of California, the Pacific Northwest timber districts, and other sections where industry had been disturbed by labor unrest." This commission also recommended the establishment of "some form of collective relationship between men and management." It advocated the creation of administrative machinery "for the orderly disposition of industrial issues and the avoidance of an atmosphere of contention and the waste of disturbance." [2]

When the United States entered the War, a herculean task faced a peace-loving nation. It was necessary that industry be speeded up and be efficiently directed and kept in continuous operation. Industrial disputes culminating in strikes or lockouts could not be tolerated. At first, there was inevitably much confusion incident to the hurried ex-

[1] *Senate Document No. 415.* Sixty-fourth Congress, First Session.
[2] *Annual Report of the Department of Labor* (1918).

pansion of governmental administration from a peace to a war footing. Departments competed with each other; labor drifted from one plant to another; and a shortage of labor and a lowering of the standard of employment were threatened. Finally a War Labor Conference Board was appointed, and began its sittings on February 25, 1918. This Board consisted of five members representing the employers of the nation nominated by the National Industrial Conference Board, five representing organized labor nominated by the American Federation of Labor, and Mr. Frank P. Walsh and Ex-President Taft. This Board suggested the creation for the period of the War of a National War Labor Board "to bring about a settlement by mediation and conciliation of every controversy arising between employers and workers in the field of production necessary for the effective conduct of the War." The Board was organized and the members of the Labor Conference Board were appointed to constitute the War Labor Board. Mr. Walsh and Ex-President Taft were designated joint chairmen. Among the important principles and policies adopted to govern industrial relations during the War were the following: "There should be no strikes or lockouts during the War." "The right of workers to organize in trade unions and to bargain collectively, through chosen representatives, is recognized and affirmed." "The right of employers to organize in associations of groups and to bargain collectively, through chosen representatives, is recognized and affirmed." "Employers should not discharge workers for membership in trade unions, nor for legitimate trade union activities." "The workers, in the exercise of their right to organize, shall not use coercive measures of any kind to induce persons to join their organizations, nor to induce employers to bargain and deal therewith." The principles laid down by the National War Labor Board conceded nearly all of labor's essential demands except the

closed shop. Labor's right to organize was definitely protected under the war power of the government. Soon after the armistice, the National War Labor Board ceased to function effectively.

President Wilson called a National Industrial Conference to meet in Washington, D. C., on October 6, 1919. It was to be the duty of the Conference to "discuss such methods as have already been tried out of bringing capital and labor into close coöperation," and to work out some practicable form of industrial relationship which would avoid industrial warfare and promote coöperation. This Conference was composed of 17 members representing the employers' group, 19 representing the labor group, and 22 representing the public. The steel strike was in progress and it was soon evident that this tripartite Conference could not come to an agreement. The rock upon which the Conference split was that of collective bargaining through union representatives. The labor group refused to accept any other type of collective bargaining. The employers' group insisted that in collective bargaining the representatives of the workers in a given plant be chosen "by and from among them." This plan would bar the use of national union leaders as representatives of the workers. Presently the labor group withdrew from the Conference.[1]

Soon after the dissolution of the first Conference, President Wilson called another Industrial Conference. In this case, the familiar form of interest-group representation was abandoned. The second Conference was composed of seventeen citizens; it met in private session. Secretary of Labor Wilson was chairman and Mr. Herbert Hoover, vice-chairman. The Conference decided that its task was not to study the causes of industrial unrest but that of suggesting practical measures to avert industrial conflicts. Its report, therefore,

[1] *Monthly Labor Review*, November, 1919, pp. 40–49.

suggests a detailed plan of mediation, voluntary arbitration, investigation and publicity in cases of industrial disputes. Since the plan was unanimously adopted by the Conference, it of necessity represents a middle-of-the-road policy; it will not be satisfactory either to certain conservative labor leaders or to reactionary employers. And, of course, the members of radical groups will reject it. Nevertheless, the Conference Report offers an ingenious scheme for focussing public opinion upon recalcitrant employers and employees who, unable to reach an agreement among themselves, refuse to accept mediation or voluntary arbitration in a labor dispute.

The system of settlement proposed by the Conference consists of a nation-wide plan, providing for a National Industrial Board, and for local conferences and boards of inquiry. The Conference correctly holds that "the strategic place to begin battle with misunderstanding is within the industrial plant itself. Primarily, the settlement must come from the bottom, not from the top." The plan provides for a permanent regional chairman in each of a number of districts into which the nation should be divided. The parties to a dispute may submit their differences to a regional board consisting of the chairman and eight others. Four of these represent the employer group, and four the employee group; two from each group shall be direct representatives of the parties concerned in the dispute. If the regional conference does not agree unanimously, the matter may go to the National Industrial Board or to an umpire. If the parties to the dispute, or one of them, refuse to submit the dispute in the manner outlined, a regional board of inquiry shall be formed consisting of the regional chairman, two employers and two employees from the industry concerned. This board has the right to subpoena witnesses and records and to publish its findings. Public opinion is depended upon to bring about an acceptance of the findings of a board

of inquiry; and moral compulsion is the only force used in compelling the acceptance of the awards of a regional conference or of the National Industrial Board. The National Industrial Board of nine members is to supervise the entire system and give it nation-wide unity.[1]

Advantages and Defects of Arbitration and Conciliation. The resort to trade agreements or to arbitration and conciliation brings employers and employees into closer touch with each other. Much trouble and friction in industrial circles are caused by the lack of sympathy between the workers and their employers. After representatives of both parties are induced to gather around a table for a face to face presentation of opinion in regard to the controverted matters, a long step has been taken toward industrial peace. When both sides are presented, prejudice and preconceived notions often undergo modification. A glimpse of the other man's viewpoint is often illuminating, educative, and fruitful of concessions. The peaceful method of determining the conditions of employment gives stability to business enterprises because certain elements of uncertainty are removed. Compulsory arbitration tends to prevent great extremes in the wage scale; and monopolistic action on the part of powerful unions of skilled men is difficult under a system of compulsory arbitration. The strike and the closed shop policy frequently enable certain strong unions to establish a higher minimum wage than would be fixed under a system of arbitration.

Compulsory arbitration means that the strike and the boycott must be given up. The loss of these weapons tends to reduce the virility of the unions. Under a system of compulsory arbitration, organized labor would be forced into the political arena. Under the joint conference system, the sympathetic strike must also be given up. The radicals in

[1] *Monthly Labor Review*, January and April, 1920; *The Survey*, March 27, 1920.

the ranks of organized labor object to this system and to making contracts with their employers because by so doing they forfeit the right to strike at what seems to be a propitious moment. The joint conference system neglects the interests of the general public. In it lies the possibility of a combined monopoly of labor and capital. Joint agreements may mean higher wages linked with higher prices. Increases in the wage rate may be met by increases in the price of the article to the consumers; and monopoly profits may even increase as wages rise.[1] Both sides in a labor controversy often fear the outside party who is unacquainted with the particular business. A preference is frequently expressed for a form of agreement "within the family." If the state interferes with labor by providing for some form of conciliation or mediation and arbitration, it is logical for labor to demand that the status of the industry be made clear to the employees, that proper accounting methods be required of the corporation, and, finally, that the authority of government be used to force the adoption of efficient business methods in order that funds may be accumulated out of which fair wages may be paid.

The advantages of the policy of settling industrial disputes by means of arbitration are easily presented. Arbitration, successfully employed, means peace in industry instead of war. It prevents strikes, lockouts and boycotts; and business activities may go forward without danger of periodic interruption. The great losses from such interruptions are not incurred; and the friction between employers and employees incident to strikes, boycotts or even the more orderly processes of collective bargaining, is eliminated. A judicial or quasi-judicial determination of controverted points is substituted for the cruder and more direct appeal to the strength

[1] Clark, "Monopoly and the Struggle of Classes," *Political Science Quarterly.* Vol. 18: 599 ff.

of organized labor on the one hand and of organized capital on the other. It may, with a reasonable degree of fitness, be compared with the substitution of court procedure for the feud and the dual.

The defects of the policy of arbitration are more difficult of presentation. More subtle considerations are involved and the clashing of divergent interests and points of view come much more clearly into the foreground. (1) The most serious defect in a system of compulsory arbitration grows out of the absence of any definite and generally accepted standard for the determination of a wage rate. No theory of wages, now formulated, has satisfactorily stood the test of criticism and of practical application in the industrial world; and no board of arbitration has been able to present a scientific standard by means of which disputes as to wage rates may be authoritatively and accurately settled. Consequently, boards of arbitration have as a rule compromised in fixing wage scales. When more than a mere compromise between opposing demands has been attempted, arbitrators have been influenced by a knowledge of what has been paid in the past in the industry under investigation, or what is now being paid in other shops and localities; or they have rested their decision upon the basis of the standard of living by them considered adequate for the wage workers concerned. The first alternative spells fixity, and will be further discussed under the head of the fourth defect.

The second method cannot be considered scientific so long as no definite concept of the standard of living exists. In fixing railway rates the Interstate Commerce Commission has certain fairly definite items as points of departure, such as the actual investment, the depreciation, market rates of interest, the cost of operation. In the determination of a wage award, the standard of living is such an indefinite concept that difficulties arise which prevent any scientific award.

Some of the problems are: What is the standard of living? Should it gradually rise as the years go by? Should an allowance be made for the physical deterioration of the worker? Should an allowance be made for insurance against old age, sickness and accident?

A dictum of the Ohio Industrial Commission throws an interesting sidelight upon the fundamental problems of a board of arbitration. "Exact industrial justice would not take into consideration the demands of the employees or the proposals of employers, but would be determined after a full investigation and inquiry into the cost of production, cost of maintaining a satisfactory standard of living, distribution of profits, and all other such matters." A brief study of this plan will disclose numerous practical difficulties. What is a "satisfactory standard of living"? To whom is it satisfactory? Does cost of production include a fair profit? And what is "fair profit"? From whose point of view is it fair? What would be the proper "distribution of profits"? And, what of "all other such matters"? Since almost all industrial disputes directly or indirectly touch the question of wages, obviously, the first and foremost defect of arbitration offers almost unsurmountable obstacles in the present state of the science of economics. It will certainly be difficult to apply the much-discussed "rule of reason."

(2) The substitution of arbitration for the strike, boycott or the trade agreement in the settlement of industrial disputes will tend to weaken organized labor or at least greatly to modify the form and programs of such organizations. The reason for this consequence is not difficult of discernment. Labor organizations have been formed to obtain by means of collective bargaining or militant activities, higher wages, a shorter working day or some other improvement in working conditions. Unionists are loyal to the union and cheerfully pay dues only when they believe that the organ-

ization is a potent instrumentality to assist them in obtaining their demands. If arbitration becomes the accepted method of determining the wage rate, the necessity for the union becomes less clear to the average unionist. The resort to arbitration will not stimulate self-reliance and self-assertion among the workers. Of course, from certain points of view this seems an advantage rather than a defect. The editor of a well-known labor journal questions whether arbitration "has been of much practical value in giving the workers those opportunities for self-assertion" which are "necessary for their welfare if they are to take an active part in the determination of what their terms of employment and conditions of labor will be."

(3) Arbitration involves the intervention of a third party. The members of a board of arbitration who are supposed to be neutral and to represent the public, as a rule, are not familiar with the conditions in the industry. This fact adds to the difficulties in formulating a scientific judgment which will stand the test of rigorous criticism; and it does not inspire either side with confidence in boards of arbitration. Wage workers naturally hesitate to place the determination of matters which vitally touch their chief business in life in the hands of outsiders more or less ignorant of conditions in the industry and also of their point of view.

(4) The procedure of a board of arbitration resembles that of a court; it is judicial in its methods. Therefore, precedent plays a large part in the deliberation of a board of arbitration. Since labor is struggling upward toward a higher standard of living and toward higher social standards, labor organizations look with suspicion upon any institution or method of procedure in which precedent plays a considerable rôle. Precedent for wage workers spells slavery, serfdom or low standards of living and social inferiority. Laboring men and women are struggling to get out of the "servant" class.

They want to be recognized as "equals" of their employers and the managers of the business in which they are earning a living. Wage workers are eagerly looking forward to the day when labor as well as capital shall have a voice in determining the conditions in industry, to the time when the representatives of the employees shall be admitted to the meetings of the boards of directors. Compulsory arbitration would seem to offer little opportunity to press forward along this line.

Again, in case no definite legal principles are involved, the decisions of the board depend in no small measure upon the training, interests and idiosyncrasies of the judge or umpire. It has been noted that no fundamental principles which are of general acceptance can be laid down for the guidance of boards of arbitration. Consequently, there is reason for the assertion made by labor leaders that the decisions of boards of arbitration depend upon the personal bias and the preconceived notions of the arbitrators. In the event of the adoption of compulsory arbitration in this country, the choice of arbitrators or of those officials whose duty it would be to make such selection, would inevitably become a political issue. And, further, political considerations would become determining factors in the rigid or the flabby enforcement of the law. (5) The decisions of a board of arbitration, particularly when adverse to the workers, are difficult of enforcement. It might involve the necessity of penalizing large numbers of citizens. (6) Except in a few basic or quasi-public industries, a law providing for compulsory arbitration would probably be held unconstitutional.

An incidental weakness or defect of arbitration is due to the lack of a consistent policy for or against it on the part of both employers and wage workers. Neither employers or employees at all times and under all circumstances take the same attitude toward arbitration. In some cases, unionists, de-

mand arbitration; again, they reject such proposals. Likewise, employers sometimes favor arbitration; and again they contemptuously reject it. Employers usually stand for arbitration in industries when the unions are strong as in the railway industry. But in other industries where organized labor is weak or has been eliminated, the employers insist upon their right to run their business without interference.

The United States Steel Corporation has not attracted much attention as an advocate of voluntary or compulsory arbitration in its own plants; and the copper companies of Northern Michigan are not well-known friends of these measures. Less than a decade ago, the President of a New York City street railway company sternly informed the employees of the company that they were his servants and that he expected them to do his bidding. "Arbitration between my servants and me is impossible." How different was the attitude of the steam railway presidents in 1916! On the other hand, the anthracite coal miners in 1902 were quite willing to arbitrate their differences with the operators; but, in 1916, the railway brotherhoods rejected arbitration. The progress of compulsory arbitration in Australasia in recent years is partially due to "demand of employers for protection against more powerful unions."[1] But the first law passed in New Zealand in 1894 was favored by the union men of the island and opposed by the employers.[2]

Trade Agreements. Trade agreements as to wages, hours, and other conditions of employment are made in conferences attended by representatives of both employers and employees. The system presupposes the existence of some form of labor organization among the employees and an organization among employers. Individual bargaining is now replaced by whole-

[1] Commons and Andrews, *Principles of Labor Legislation*, p. 143.

[2] The foregoing paragraphs are from an article by the writer, *The Annals*, January, 1917, Vol. 69.

sale or collective bargaining. Instead of many separate agreements made between the employer and each workman, a single agreement is made which fixes during the life of the compact the conditions of employment for all workers in the establishment, or at least all within a given grade or class. The adoption of the trade agreement system does not mean that the employer and employees have accepted any idealistic theory of the harmony of interests between labor and capital. A peaceful method of settling disputes as to wages, hours, and the like has been substituted for industrial warfare. A joint conference where the representatives of both parties bluff, higgle, and compromise takes the place of the strike and the boycott. Workmen are still anxious to increase their wages, and employers are eager to prevent such increases, but both are desirous of bringing about stable and calculable conditions in the business. Both sides are trying to gain an advantage. Each side understands the situation; but a cessation of work means no wages and usually no profits. Self-interest is a harmonizing as well as an antagonizing force. The trade agreement has been called a treaty of peace which precludes an industrial war for a definite period.

The first recorded case of a successful trade agreement system is found in England in 1860. It was established by A. J. Mundella, a manufacturer of Nottingham.[1] In America several isolated and local cases of trade agreements appear before 1885; but the important trade agreement systems have originated since that date. Trade agreements are now made in many industries and localities of the United States. In England, the system is highly developed. In actual practice there are two somewhat different types of agreement systems. 1. The familiar trade agreement system in which collective bargaining and settlement of disputes are arranged for between employers and employees organized into a national

[1] Adams and Sumner, *Labor Problems*, p. 303.

union, — as, for example, in coal mining, the stove industry, and the clothing industry. 2. The organization of company unions of some kind, and provision for the settlement of grievances through shop committees. These committees have much or little power according to the scheme adopted by the firm. The Whitley plan seems to come under the second class; and the Rockefeller, International Harvester, and Goodyear plans are typical American examples of the same type. The second form shades from quite formal schemes into very informal plans for giving the worker a knowledge of the business end of the plant and for fostering more direct contact between management and men, such as the Browning plan, or that of the White Motor Company.

The shop committee system of the second type grows out of a feeling that the union of orthodox variety is inevitably against efficiency, that the restrictive rules of unions make impossible efficient production. Consequently, the only course open now that the old "drive" system of shop management has definitely proven to be a failure is to develop gradually a new plan of labor organization. Many of the employers adopting the shop committee plan know that the system will inevitably lead to a weakening of the control of the capitalist or investor in the management of business; but they believe this is coming and propose to aid in making the change come slowly and without serious industrial disturbances. Soon after the United States entered into the Great War, Mr. Charles Schwab warned American business men to prepare for the time, which he asserted was not distant, when labor would control industry.

Organized labor is suspicious of, or openly antagonistic to, the shop committee plan. According to Mr. Gompers, "labor's future must be worked out for labor, through its own trade union organizations, directed by labor, without the patronage of employers or so-called industrial experts."

In short, the leaders of organized labor see only one path leading toward better working conditions and industrial democracy — the path mapped out by the national unions. Primarily the shop committee is a plan of obtaining co-operation between the employer and the employees of a given plant; it is concerned chiefly with local problems. But the shop committee is based on the principle of coöperation while up to date too many unions are rooted in the principle of conflict.[1] If the spirit of unionism were always that of partnership, as suggested by Professor Commons and as apparently manifested in the clothing industry and a few other industries, reasonable employers would be able to work out a plan of industrial peace with the unions of today. But if the unions cling too firmly to the old fighting programs of restriction of output, etc., then in the interest of efficiency of production there will be demanded the newer style of company unions or shop committees, not at present connected with outside affiliations. Perhaps, one type may prevail in certain industries and another type in other industries.

Trade Agreements with Organized Labor. Among the most significant and important of this type of trade agreements are those in coal mining, in the clothing industry, and in the printing business. A large percentage of the soft coal miners of the United States work under a joint conference agreement as to wages and other conditions of employment. An annual joint conference, attended by the representatives of labor and capital, is held. The original plan involved sending a large number of delegates to the conference. At one conference in the Central Competitive Field in which were represented Western Pennsylvania, Ohio, Indiana and Illinois, 195 operators and 450 miners appeared as delegates. Beginning with 1912, the number of delegates was reduced, and an equal number of operators and miners appeared from each state. The

[1] See Stoddard, *The Shop Committee.*

real work of compromise and of the determination of the wage scale is done by a small committee, but a unanimous vote of the conference is necessary before any important matter can be settled. An agreement is usually reached, because both sides are well aware of the momentous and far-reaching results of a failure to arrive at a settlement of differences. No provision is made for reference of controverted points to outside parties. The representatives of the miners sit on one side of the house and those of the mine owners on the other. The meetings are usually open to the public. "This annual interstate conference of the bituminous coal industry is the most picturesque and inspiring event in the modern world of business." It is an industrial parliament on a grand scale.

The acme of the trade agreement system and collective bargaining has been reached in the stove industry. Certain peculiarities of the stove business have made the desirability of some form of collective bargaining very apparent. In the stove industry, the cost of labor is one of the most important items in the total expenses of production. The wages paid to molders amount to from 40 to 50 per cent of the entire manufacturer's cost of the product. This condition tends to intensify the effect of differences between employers and employees as to wages, output, apprentices, etc. And, in this industry, the costs may be easily estimated.

From the time of the first recorded strike in 1855 to the meeting of the first joint conference in 1891, many strikes occurred in this industry. Gradually a strong union organization was evolved. Its growth was paralleled by the development of an association among the employers. These two organizations are known as the Iron Molders' Union of America and the Stove Founders' National Defense Association, respectively. An important strike involving many cities and establishments occurred in 1887. Both sides

claimed to have gained a victory; but each learned to fear the strength of the other side. Soon after, negotiations were entered into which led to the establishment of a successful joint conference system, and to the systematic and peaceful settlement of controverted questions. The development of two strong, opposing, fighting organizations made for peace. The joint conference is only successful when the two opposing forces are strong, well organized, and nearly evenly balanced.

The first conference, held in 1891, adopted the following significant preamble. "Whereas, there has heretofore existed a sentiment that the members of the Stove Founders' National Defense Association and the members of the Iron Molders' Union of North America were necessarily enemies, and in consequence a mutual dislike and distrust of each other and of their respective organizations has arisen, provoking and stimulating strife and ill-will, resulting in severe pecuniary loss to both parties: Now, this conference is held for the purpose of cultivating a more intimate knowledge of each other and of their methods, aims, and objects, believing that thereby friendly regard and respect may be engendered, and such agreements reached as will dispel all inimical sentiments, prevent further strife, and promote the material and moral interests of all parties concerned."

The conference agreement between the employers and the molders in the stove industry provides for annual conferences to be attended by representatives of employers and of employees. These joint conferences are purely legislative in character; but the representatives of both sides come with full power to act upon wages and conditions of labor within the industry. In order satisfactorily to settle disputes, the following mechanism is provided. "Whenever there is a dispute between a member of the S. F. N. D. A. and the molders

in his employ (when a majority of the latter are members of the I. M. U.), and it cannot be settled amicably between them, it shall be referred to the presidents of the two associations before named, who shall themselves or by delegates give it due consideration. If they cannot decide it satisfactorily to themselves, they may, by mutual agreement, summon the conference committee, to whom decision by a majority vote shall be final, and binding upon each party for the term of twelve months. Pending adjudication by the presidents and conference committee, neither party to the dispute shall discontinue operations, but shall proceed with business in the ordinary manner. . . . No vote shall be taken except by a full committee or by an even number of each party."[1] The significant points are: (1) this method shall only be used where the majority of the employees of a member of the Defense Association are unionists; (2) strikes or lockouts are forbidden while the matter is under consideration by the presidents or the committee; and (3) the conference committee, which is essentially a board of arbitration, is composed of an equal number of employers and employees. The employers strenuously objected to the use of outside parties who were unfamiliar with the business; and experience "has indicated that their [employers'] judgment was sound and practical." In case a member of the Defense Association refuses to live up to the agreement he will be dropped from membership, and the union will be at liberty to order a strike. If a local union refuses to abide by the contract, it will be disciplined by the national organization.

The methods employed in the stove industry seem to be the culmination of purely trade-union action. Prices of stoves and wages of employees are fixed by means of the joint conference system. Competition as to prices and wages is

[1] *Bulletin of the Bureau of Labor.* No. 62: 148.

avoided. Instead of appearing under the form of price-cutting and wage-slashing, competition must under this system be raised to a higher plane; it takes the form of an attempt to produce better quality of goods and to improve the efficiency of labor. Wages are determined in this industry after a careful statistical study of the cost of living, and the aim is to place all members of the Stove Defense Association on a competitive level in regard to labor. A joint conference system carried on successfully for several years tends to remove the speculative element from the business, and to promote stability and system within the industry. But each individual firm in the association must maintain itself; the weak members are not kept in the business as is the case in the trust form of organization.

A nation-wide agreement system in the printing trades is in a formative stage. The legislative machinery has been created. The International Joint Conference Council of the Allied Printing Trades represents the employers and organized employees in approximately three-fourths of the book, periodical and job printing business of this country. The representation in the Conference (February, 1920) was as follows: — United Typothetae of America, Closed Shop Branch, Printers' League of America, and the International Association of Employing Stereotypers and Electrotypers; and the International Typographical Union, International Printing Pressmen and Assistants' Union, International Brotherhood of Bookbinders, and International Stereotypers and Electrotypers Union. Other organizations may be admitted. Among the principles accepted as the basis of this trade agreement plan are the following: — (1) The industry is to pay at least a reasonable living wage. (2) Local contracts are to run preferably for a period of three years and are to contain a clause providing for an annual adjustment of

wages to the cost of living. (3) A uniform system of cost accounting is to be adopted by the employers affiliated in the Conference. This is "considered fundamental to insure stability, permanence, and prosperity to the industry and to provide a basis for securing a greater degree of uniformity in conditions throughout the country." (4) All controversies as to wages, hours and working conditions are to be settled by conciliation or voluntary arbitration. The boards of arbitration are to be composed of equal representation of employers and employees. If necessary, an impartial arbitrator may be utilized. A forty-four hour week has been agreed upon to take effect May 1, 1921.[1]

The clothing industry is subject to great irregularity in employment; and working conditions in the past have been extremely bad. Within the last decade a very elaborate trade agreement system has been formulated in a considerable percentage of the large clothing factories. The "protocol" agreement adopted in 1910 between a group of cloak, suit and skirt manufacturers of New York and certain unions in the clothing trades was the forerunner of the present elaborate agreements made with the Amalgamated Clothing Workers. The protocol agreement provided for a "preferential" shop in which union conditions were to be maintained and union men were to be given preference in hiring. Provisions were made for settling all grievances by means of a joint board of grievances and a board of arbitration. A joint board of sanitary control was also established for the purpose of fixing standards of sanitation in the shops. Provisions were inserted for disciplining contractors or employees who violated the terms of the agreement. The protocol was adopted after a strike in 1910 and was followed for over five years. A modified protocol was adopted in the dress and waist industry

[1] *The Survey*, February 21, 1920.

in 1913. The trades engaged in the women's clothing industry are nearly all working under some trade agreement system between employers and the unions.[1]

In the men's garment industry, the pioneer and most noted agreement is that of Hart, Schaffner and Marx. The plan was originally adopted in 1910 and has been renewed from time to time since that date. It was first made with the United Garment Workers; but is now made with the Amalgamated Clothing Workers. The company "accepted the principle that the good-will of the employees was as necessary and desirable as the goodwill of customers." A labor department was established and all the relations of employer to employee were placed in charge of this new department. "The rule of caprice" in the matter of discharge was discarded and the right of arbitrary action was taken from the foremen. An agreement was entered into with the Clothing Workers which provided for a definite and orderly consideration of grievances, for the elimination of strikes, and for the preferential shop.

When a grievance arises on the floor of a shop, the complainant reports the matter to the representative in his section. The representative takes the matter up with the shop superintendent. If the matter is not satisfactorily settled, it is reported to a shop deputy. Both employer and employees have deputies. These deputies have the power to make investigations. A pair of deputies visit the shop in order to adjust the difficulty. If the deputies cannot reach a satisfactory agreement, the dispute is taken to the Trade Board. The Trade Board consists of eleven members, all of whom except the chairman must be employed by Hart,

[1] *Bulletin of the Bureau of Labor Statistics*, No. 98; Cohen, *The Annals of American Academy*, January, 1917; Cohen, *Law and Order in Industry;* Gompers, *American Federationist*, March, 1913.

Schaffner and Marx. Five are selected by the company and five by the union. The chairman is chosen by the Board of Arbitration. The Trade Board is the primary board for the adjustment of grievances. Decisions are by a majority and are to be made in writing. Appeal may be had to the Board of Arbitration whose decisions shall be final and binding on both parties. The Board of Arbitration consists of three members, — one representing each party, and an impartial chairman chosen by agreement. An agreement entered into between the New York Clothing Trades Association and the Amalgamated Clothing Workers, effective from August, 1919, to August, 1920, is quite similar. The next logical step is to make an agreement covering all of the big clothing manufacturers employing workers belonging to the Amalgamated Clothing Workers.[1]

The trade agreement system is a within-the-family scheme. It has worked well in certain competitive industries. Testimony before the Federal Commission on Industrial Relations indicated that the trade agreement system has operated successfully in the stove industry because it was in reality a combination of employer and employee. The union agreed to force up wages in the shops outside the Stove Founders' Defence Association in order that disastrous competition might not prevail. If the union failed, wages would necessarily be lowered to meet the outside competition. One important function of the trade agreement system in coal mining is the equalization of competitive conditions. In the glass bottle industry, trade agreements have been used for many years. The manufacturers are said to favor the system partly because "this system of collective bargaining, by maintaining uniform wage scales and working rules through-

[1] *The Hart, Schaffner and Marx Labor Agreement* (pamphlet); Moses, *The Annals of the American Academy*, September, 1919, pp. 166 ff.

out the whole of the industry has eliminated the objectionable inequalities, as between different employers, that are an inevitable accompaniment of a decentralized system of collective bargaining." [1]

The Shop Committee Plan. Many progressive business managers have come to understand that the key to industrial efficiency is to be found in the science and art of handling men, of getting "men to work together effectively." Workers who are interested in their work, who feel that they are an integral part of a worth-while business organization, and who have a voice in the determination of production methods which vitally affect them and their families, are almost invariably not found in the ranks of the ultra-radicals or in the class of the drifters. The shop committee plan is an attempt to bring about a new deal in industry without definite recognition of existing national unions. It is collective bargaining with representatives chosen by and from the employees of the company.

The famous Whitley plan, drawn up by a committee of the British Parliament and used in a considerable number of British industries, is of this type. The Whitley plan provides for national joint industrial councils in different trades, also for district and works committees. In each case, the council or committee is to be composed of an equal number of representatives of the employers and of the employees with an impartial chairman.[2] The Colorado Industrial Plan, adopted by the Colorado Fuel and Iron Company and by other Rockefeller interests, is quite similar to the Whitley plan. Representatives chosen by secret ballot from their number by the employees of each plant, form the basis of the scheme. Joint committees composed of these representatives and an equal

[1] Wolman, *American Economic Review*, September, 1916.

[2] *Bulletin of Bureau of Labor Statistics*, No. 234.

number of officers of the company are organized in each plant. "These committees deal with all matters pertaining to employment and working conditions, including questions of coöperation and conciliation, safety and accident, sanitation, housing and health, recreation and education." Joint district conferences are provided for and a joint conference of representatives from all districts is to be held annually. Provision is made for settlement of grievances. Any worker may take up a grievance with his representative. Unless it can be settled in some intervening step, the matter may be carried to the highest officers of the company and, finally, to State officials, or to an arbitration committee.[1] This plan affords an orderly way for the consideration of shop matters and a definite method of bringing grievances to the attention of the responsible heads of the company.

The Industrial Representation Plan of the Goodyear Tire and Rubber Company is a further step in the direction of placing responsibility in the hands of the workers. In addition to the shop committee plan, the company has an elaborate welfare sheme and a big educational department. All executive power is vested in the management; but considerable legislative powers appear to be vested in an Industrial Assembly composed of a Senate and a House of Representatives. The membership of these two bodies is made up entirely of employees elected by secret ballot. The Senate is composed of twenty, and the House of forty members. In order to be a senator an employee must be at least twenty-five years of age and on the pay-roll for at least five years. The qualifications for membership in the lower house are less exacting. Every bill passed by the two houses must be presented to the manager for his signature before it be-

[1] John D. Rockefeller, Jr., *Representation in Industry* (pamphlet). Also, *The Colorado Industrial Plan* (pamphlet).

comes a factory rule. A vetoed bill may be passed over the head of the manager by a two-thirds vote in each house. It then becomes a factory rule. The company guarantees that there shall be no discrimination against any member of the two houses, or because of membership in any labor organization.

Two very interesting and significant experiments are being made by the White Motor Company and The Browning Company of Cleveland. In each case the shop committee of an informal type is used, and a high type of shop morale is the result. The Browning plan is the creation of Sheldon Cary, the president of The Browning Company. Mr. Cary is a broad-minded and capable man, a thinker, and a doer. The tangible part of the plan consists of two features — profit-sharing and a committee system. Profits are shared every three months, and the percentage allowed a worker increases with the length of service. The shop committee consists of two representatives elected from each department of the plant. Mr. Cary meets the committee informally twice a month. Matters relating to production methods and other topics of interest are freely discussed; suggestions are welcomed. No voting occurs. The minutes of the meetings are posted on bulletin boards in the factory. The company's balance sheet is placed in the hands of the committee for its consideration. Mr. Cary "places all his cards on the table"; and he has gained the confidence of the employees of the company. They believe in him.

The Browning Company operates a comparatively small plant employing skilled men. Mr. Cary knows nearly all of the employees. A practice of rotation on the shop committee prevails so that practically all workers sooner or later get a place on the committee. It is the personal or intangible element which seems to be most important in the Browning plan. Certain definite convictions in regard

to factory management are being put into practice with excellent and encouraging results in efficiency, loyalty to the company, and low turnover of labor. The company believes: "that labor bought at less than the current wage is an expensive purchase, because it means lack of enthusiasm on the worker's part; that a man or woman works best who has a financial interest above wages in the success of the business; that team work wins in baseball, battles and business."

The White Motor Company of Cleveland employs approximately 6,000 persons; the Company has adopted a simple shop committee plan and an educational scheme which has materially reduced the labor turnover and increased the efficiency of the plant. The officials of the White Company insist that a properly managed business will not be troubled with strikes. It is, and has been since 1915, the policy of the Company to refuse to water its stock and to pay a definite rate of dividend, to keep prices of their product reasonable, and to pay good wages. The Company discloses to the workers the financial condition of the firm; emphasis is laid upon building up mutual confidence between management and men by clear, accurate, and complete explanations of the reasons for the adoption of the policies utilized. A careful study of the cost of living has been made and wages raised in accord with the results of this investigation. In 1914, the average weekly earnings of an employee were $15.03; in 1919, over $32.00. The Company maintains an industrial service department (usually called welfare work), a factory library, a coöperative store, a kitchen and restaurant, a company magazine, a first aid hospital, and a benefit society.

In the production department, the first place is properly given to industrial relations. An industrial relations commission consisting of seven executives has been organized to develop the policy of the Company. A shop committee

system is used. Each department has a committee. The members are elected by secret ballot, one representative being allowed for each ten employees. Meetings are held bi-weekly on company time. The meetings are open forums. "Questions pertaining to policy, production, expansion and any other of the various activities of the factory, are discussed and graphically illustrated by representatives of the management." These meetings are apparently intended primarily to be educational, to give the workers intimate knowledge of the organization of which they are a part. The Company pays a straight time wage without profit sharing, bonus schemes, or other frills. Good results are obtained — low labor turnover, high efficiency, and a contented and alert group of employees.

The shop committee plans just outlined and many others are earnest attempts to close the gap between labor and capital. The general adoption of such plans and, what is much more important, an increasing tendency on the part of intelligent and up-to-date industrial leaders to study, calmly and carefully, the human side of industry, will accomplish much toward stemming the tide now flowing toward ultra-radicalism. The originators of these plans have not discovered a panacea for all industrial difficulties, but they are sturdy pioneers in the new science of industrial management. They are social inventors and experimenters. The time is ripe for such experiments. The words of John D. Rockefeller, Jr., are pertinent. "Never was there such an opportunity as exists today for the industrial leader with clear vision and broad sympathy permanently to bridge the chasm that is daily gaping wider between the parties to industry, and to establish a solid foundation for industrial prosperity, social improvement, and national solidarity. Future generations will rise up and call those men blessed who have the courage

of their convictions, a proper appreciation of the value of human life as contrasted with material gain, and who, imbued with the spirit of brotherhood, will lay hold of the great opportunity for leadership which is open to them today." [1]

Joint Conferences as Parliamentary Bodies. Professor Commons has pointed out the resemblance between a parliament and the trade agreement system. The English Parliament with its House of Lords and House of Commons has evolved out of a long struggle between different classes. The representatives of the employers correspond in the industrial congress or joint conference to the members of the upper house; the union delegates, to the members of the lower house. Originally, members of parliament were the representatives of property interests. Today interest representation in political affairs is masked behind the theory of geographical representation. In a joint conference, interest representation is open and unconcealed. The agreement formulated by the conference is the statute law of the industrial congress. Boards of arbitration to settle disputes over the interpretation of the terms of the agreement correspond to the judicial system in governmental affairs. No common executive has yet been evolved. Jurisdictional struggles may be compared to sectional and racial antagonisms in political affairs.[2]

The Canadian Industrial Disputes Act. This, now famous, act became a law in March, 1907. The act is limited in its scope to public utilities and mines. Its provisions apply to the steam and electric railways, power plants, electric and gas plants, and similar utilities, and to metal and coal mines. This law was placed upon the statute books soon after a serious strike had occurred in the coal mines of southern

[1] The immediately preceding paragraphs are from an article by the writer in *The Bay View Magazine*, May, 1920, pp. 457–458.

[2] Commons, *Review of Reviews*. Vol. 23: 328–329.

Alberta. Like our anthracite strike of 1902, this strike threatened to cut off the supply of fuel. The Canadian law does not aim to replace collective bargaining; its purpose is to supplement that system and make it workable. The law does not provide for compulsory arbitration and settlement, but depends primarily upon the pressure of a public informed as to the merits of the controversy, to end industrial warfare. It is intended to obtain a "maximum of concession with a minimum of compulsion." The right of employers and of employees to make or to terminate a labor contract is recognized. The Canadian act clearly affirms the right of the general public to demand uninterrupted service from all quasi-public industries. The right to investigate a labor dispute in those industries and to make public the facts is given legal support.

Whenever a dispute arises between an employer and his employees, either party may apply to the Minister of Labor for the appointment of a "board of conciliation and investigation." This temporary board is to be appointed by the Minister of Labor. One man is to be nominated by the employers and one by the employees. These two men are to select the third member of the board. Each committee or board is to deal only with the one specific dispute for which it was created. After its work is done and its report completed, the board disbands. The board has the power to summon witnesses and to compel the submission of pertinent material. The most successful boards have adopted an informal method of procedure. Much of the work is done outside the regular meetings of the board. Conciliation is the chief end in view; the aim is to obtain concessions until the contending parties reach an agreement. While the board is considering the dispute, a strike or a lockout is illegal; and persons responsible for ordering a strike or lockout at such

a time may be punished. It is questionable whether this clause could be enforced in the face of adverse public sentiment. Thirty days' notice is required for any proposed change in the conditions of the industry. This provision allows time for reference to a board; but no penalty is attached to the violation of that clause.

If the parties cannot be brought into agreement, the board is authorized to make public its findings and the significant facts in connection with the dispute. A strike or a lockout may then be lawfully ordered; but the public has definite knowledge of the situation. Public opinion is in reality the court of last appeal. This act takes away from the workers in the industries within the scope of the act the right to strike at an auspicious time. It will often prevent the workers from taking advantage of certain favorable opportunities to market their product — labor. The right to strike at an opportune moment is considered by organized labor to be highly important. The employees "ask pertinently enough whether, assuming labor to be a marketable commodity, the seller of any other commodity, like wheat or provisions or coal or pig-iron, would care to accept prices prepared for him some weeks after the time he thought most favorable for selling." The unions which have adopted the trade agreement system have, however, voluntarily given up this right to "hold-up" their employers. This right cannot be vital to successful unionism since the soft coal miners and the stove molders are willing to agree not to use it.

One of the features which has been criticized by the representatives of organized labor is the clause which requires that before a board can be organized, the workers must take action which leads directly to the initiation of an industrial dispute. They must decide to strike before the occasion arises which makes the organization of a board possible. Many

labor organizations have endorsed the principle of the act, although they are not entirely satisfied with all the features of the law. "As a protective enactment," writes a Canadian labor leader, "it is of little value to labor. After all, to have any status before the boards, labor must be thoroughly organized and powerful enough to command attention." "The greatest value," declares Dr. Victor S. Clark "of the act — and its value is great — lies in its providing a negotiating rather than an arbitrating body, and in thus preventing strikes by bringing the parties to a voluntary settlement, and not by holding over them any sort of a club in the shape of a penalty — moral or otherwise — for striking."

Unfortunately, in several cases the law has been evaded, and unlawful strikes and lockouts have taken place. In one case a group of coal miners went on a strike in defiance of the act and were not punished. In another case a lockout was ordered, apparently in violation of the provisions of the act, and again no punishment was meted out to the offender. The law requires that action be brought by the other party to the dispute; in case the other party refuses to start what may prove to be expensive litigation, the provisions of the law against strikes and lockouts during the course of an investigation are not enforced.

The Canadian Act has reduced the number of labor disputes within a narrow industrial field; but in some cases it has postponed rather than prevented strikes. The act seems to have operated chiefly as a voluntary conciliation measure.[1] The problems connected with a minimum wage scale and with the sweated industries lie entirely outside the scope of this piece of legislation. Considerable opposition to the act has been manifested by organized labor, particularly

[1] Selekman, *The Survey*, March 31, 1917; Squires, *Bulletin of Bureau of Labor Statistics*, No. 233 (1918).

among the miners. In 1915, Colorado passed a law which carries out the principles of the Canadian Act. The Colorado Industrial Commission is given the power of compulsory investigation of labor disputes. Employers and employees are obliged to give thirty days' notice of intended change in the conditions of employment. Pending decisions as to disputes under investigation, strikes and lockouts are illegal.[1] Organized labor in the United States opposes the adoption of legislation of this type because (1) it will interfere with the right to strike whenever the workers please; (2) it will prevent in a large measure the use of the sympathetic strike; and (3) organized labor distrusts governmental intervention.

The Experience of New Zealand and Australia. Two legal methods have been used in Australia for settling labor disputes — by means of courts of arbitration and by means of wage boards. The former method was first used, but the latter gives promise of greater usefulness. The system of arbitration was established primarily to prevent strikes and to insure the uninterrupted functioning of industrial plants. The wage boards were intended to eradicate the sweating evil. In actual practice the latter has proven to be merely a modified system of arbitration. New Zealand was first to put a compulsory arbitration act upon the statute books. The original law was passed in 1894 and has been modified several times since that date. The maritime strike of 1890 brought the matter of labor disputes forcibly before the country. New Zealand's economic life is dependent upon shipping, and a strike in that industry paralyzed the business of the island.

The administration of the compulsory arbitration act of New Zealand is placed in the hands of the Minister of Labor. The island is divided into "industrial districts." In each district a board or council of conciliation is appointed. Such

[1] *American Labor Legislation Review*, December, 1915, p. 757.

a board consists of a chairman, one or two representatives of registered unions, and a like number from registered employers' associations. Until 1908 the chairman was "some impartial" person selected by the other members of the board. Under the present law, the chairman, or commissioner of conciliation, is a permanent salaried appointee of the governor. One is chosen for each district for a term of three years. The court of arbitration has jurisdiction over the entire colony, and consists of three members appointed by the governor. One is chosen from nominations made by registered trade unions, one from nominations made by registered employers' associations; the president of the court is usually one of the judges of the supreme court of the island. Unregistered organizations of wage earners have no legal standing; but the court may extend its jurisdiction over unregistered employers. Fifteen or more employees may form a union and be registered under the act. Either party to the dispute may bring the matter to the attention of a board of conciliation or the court of arbitration. Before 1901 disputes were usually referred first to a board of conciliation. This board attempted to bring about a settlement of the difficulty. As a rule, however, cases were carried up to the court of arbitration. Out of 156 cases before the boards of conciliation in the period 1896 1901, 104 cases were taken to the court of arbitration. An amendment in 1901 made it possible for either party to the dispute to carry the matter directly to the court of arbitration. In 1906 only two cases were settled by boards. The amendment of 1908 increases the importance of the boards, now councils, of conciliation; and again requires all cases to be first presented to them. Speedy action is provided for; and in case the parties are not brought into agreement, the findings of the council, as in Canada, are to be made public. The procedure before the court

of arbitration is divested of the technicalities of the ordinary court procedure; but it has the usual powers of a court. It can compel the attendance of witnesses, it may gather evidence in the places where the work under consideration is performed, and it may compel the production of books and papers.

The jurisdiction of the court extends to all industries, but is restricted to disputes involving registered associations. The original intent of the law was to encourage the formation of unions, but the registration is purely voluntary. The awards of the court are not only binding upon the parties concerned in the particular dispute, but may be extended to other persons. The award may be extended to all registered unions and to all employers engaged in the same industry throughout an industrial district or throughout the island — thus equalizing competitive conditions. Agreements entered into through councils of conciliation and the awards of the court of arbitration are to remain in force until new agreements are concluded or new awards made, unless the union cancels its registration. In such an event the life of the award is three years. Until 1914, strikes and lockouts were not unlawful unless an application had been made for the settlement of a dispute — except in certain industries and in certain cases in which a strike would tie up "related industries." After a series of strikes in 1913 and 1914, all strikes were prohibited in the case of registered unions.[1] In December, 1913, a law was also passed applying the principle of the Canadian Act to unions and workers not registered under the arbitration act. Penalties are imposed for illegal strikes or lockouts. However, since 1905, New Zealand has not been "a country without strikes."

The chief functions of the court of arbitration are legisla-

[1] Commons and Andrews, *Principles of Labor Legislation*, p. 147.

tive rather than judicial. The original intent of the law was to prevent strikes and lockouts; but the courts have been used to fix the general conditions in industry. The court may fix minimum wages, with the right, under prescribed conditions, to pay less to the aged and incompetent; it may regulate the hours of labor, apprenticeship, the work of women and children, and other conditions of employment; and, as mentioned above, it may give preference to union labor and spread its award over an entire industry. The essence of this system is to establish a standard wage and standard requirements in an industry. What is frequently the direct result of union activity in the United States is in New Zealand the result of legislative acts. The unions of New Zealand must inevitably emphasize political activities rather than purely economic activities. The arbitration act is only part of a system which includes old age pensions, a compensation act for injured workmen, reform in the taxation of land values, and the breaking up of large holdings of real estate. The arbitration system alone does not give the workers an opportunity to share in the profits of a monopolistic industry. Wages are fixed in accordance with what seems to the court to be the ruling wage, a fair wage, or a living wage. The wage rate is not contingent upon the profits of the business. One judge has intimated that the court has allowed what it considered the men might have obtained without a court. No scientific or systematic method of determining wages has as yet been worked out in New Zealand.

In 1901 New South Wales established an arbitration court with somewhat more extensive authority than that of New Zealand. The awards were binding upon those who were not members of registered unions. "The basic principle of the act," declared the court of arbitration, "is continuity of industrial employment and operation with a prohibition . . .

of anything in the nature of a strike or a lockout, . . ." In 1908 this law was superseded by an act providing for wage boards; but in 1912 a compulsory arbitration system was again established. Western Australia has a compulsory arbitration act similar to that of New Zealand. South Australia and Queensland have also enacted compulsory arbitration laws. The commonwealth of Australia also provided, in 1904, for a court of arbitration to deal with industrial disputes. In accord with constitutional limitations this act only applies to disputes involving industries not confined to one state. Strikes and lockouts are absolutely prohibited under penalty of one thousand pounds. The property of a labor organization violating this law, or if necessary of its members up to ten pounds each, may be taken in payment of the penalty.

The wage board as a preventive of strikes and as a method of settling labor disputes has certain marked advantages over the older method by means of a court of arbitration. As a wage board is established for each industry, fewer cases will come before each board than came before the single court of arbitration. Less delay is, therefore, experienced in settling disputes. The members of a wage board usually have some technical and first-hand knowledge of the industry. The members of the court of arbitration dealing with many industries are necessarily handicapped by their lack of intimate acquaintance with the industry under consideration. The wage board system originated in Victoria as a method of fixing minimum wages in certain sweated industries. The boards merely had authority to prevent an employer from paying less than a "living wage." Strikes were not prohibited; employees were at liberty to attempt to force the payment of higher wages than the minimum fixed by the board. In New South Wales the wage board system became a

method of securing industrial peace. It has been transformed from an anti-sweating measure to a system of rigid governmental control over the conditions of employment throughout the colony.

Compulsory arbitration has apparently proven to be a desirable system in Australasia. There is little or no indication up to the present time of any recession in this kind of legislation. The workingmen are, however, losing some of their enthusiasm for compulsory arbitration in New Zealand. The original New Zealand act was passed with the aid of the workers and apparently for their benefit. They had failed in a bitterly contested labor dispute with a powerful corporation; and they soon turned to political activity in order to gain desired concessions. The period 1894 to 1908 was one of prosperity. The early awards were favorable to the workers; but later awards did not allow all of the steadily increasing demands of the wage earners. The effect of compulsory arbitration was to replace, in a measure, contract by an increasing rigidity of status. Finally, in 1906 the workers began to rebel against their own legislation and several strikes followed. The radicals who wish to modify the present industrial order will not, of course, be satisfied with any scheme of conciliation and arbitration, the fundamental principle of which is the acceptance of that order.

Granting that the system has been successful in these far-away lands, the conclusion that it would also prove successful in the United States need not necessarily be reached. The system was introduced into Australia while the industrial system "was simple, pliable, and adaptable"; and that country has not received a conglomerate horde of immigrants. Industrial conditions, legal and constitutional forms, and the composition of the population in the United States are so

dissimilar from those which existed in Australasia at the time the compulsory arbitration system was adopted that the value of the latter's experience for the guidance of our legislators is minimized. If the decisions of a court of arbitration or of a wage board are distasteful to a large body of workers, it seems extremely doubtful whether coercion, in a democracy is feasible or desirable.[1]

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CHAPTER XI

PROTECTIVE LEGISLATION FOR EMPLOYEES

Constitutional Difficulties in the United States. Labor legislation in the United States meets obstacles peculiar to this country. Our system of written constitutions and our dual form of government, dividing responsibility for action or inaction between the federal government and the various state governments, introduce many complications. Constitutional objections and state jealousies bulk large in preventing the passage of statutes protecting wage earners, and in emasculating or annulling those which are actually placed upon the statute books. The ideals embedded in the American constitutional system are essentially English in origin; but the student must not overlook the fact that those ideals originated in a unique epoch in the history of English political philosophy. The federal constitution was formulated and adopted by the American people at a time when the pendulum swing of sentiment had reached a maximum in favor of non-interference on the part of government with the conditions of industry.

Under the gild system in the medieval cities, and in the developing nations of the sixteenth and seventeenth centuries under the mercantile system, industry and trade had been rigidly and minutely regulated. In the eighteenth century, as the old industrial forms broke down and were replaced by those which may be called modern, the pressure against mercantilism became strong and finally irresistible. The restrictive barriers were pushed aside, and a new economic epoch opened. The sudden release from the strong and unyielding bonds of custom and law which were characteristic

of feudalism and mercantilism produced the inevitable reaction. The new slogans were non-interference, freedom of trade and of contract, and competition is the life of trade. Individualism and the "return to nature" were placed prominently in the foreground.

The individualism of the period conceived that external control of industrial affairs was not only unnecessary but an actual menace to economic progress. Each and every individual was to be left free to work when and where he pleased, or to hire and discharge whomsoever he saw fit. Wages and prices should be fixed as the result of free and untrammeled competition. The general welfare of society was to be conserved by allowing each individual to pursue unhampered what seemed to be his own best interests. "Enlightened self-interest was the incentive, universal free competition was the force" which held economic society together and caused progress. These individualistic ideals sternly opposed all legislative interference with freedom of contract and the labor bargain, and considered all combinations for the purpose of affecting prices or wages to be inimical to the public welfare.

But the individualism of the eighteenth century and of the first half of the nineteenth was abnormal and one-sided. It was the product of the conditions which made England the world leader in commerce and in industry. Earlier centuries were much less individualistic, and the intricacy and interdependence of modern life cause greater emphasis to be placed upon social needs. This ultra-individualistic epoch is the bridge between the old era of medieval restriction of the aristocratic and paternalistic type which fixed maximum conditions for the mass of the workers and the era of modern social and industrial legislation of the democratic type which aims at fixing minimum conditions in industry. The feudal idea was to keep men and women of the lower classes in their places and to ameliorate the conditions within their particular

social compartment; the modern democratic ideal is to remove the artificial obstacles which tend to perpetuate social and economic inequalities, and to give each individual an opportunity to help himself. Opportunity for each and for all, not paternalism or philanthropy on the part of a few, is the aim of modern industrial legislation.

The exaggeration of the non-interference system and the glorification of the ideal of negative liberty was due to the enthusiasm and the hopes of a strong and aggressive class of English merchants and industrialists who were at that time leading the world in commerce and industry. To cut the old medieval bonds which favored "well ordered" trade and "fair" prices, signified progress, freedom, and wealth getting to shrewd men conscious of their superior strength and ability. They were eager to play the fascinating commercial game without harassing rules. Just at the flood-tide of this reaction against medievalism and mercantilism, and before the evils of unrestrained competition and of unregulated industry became apparent, the American nation was formed and the American people adopted written federal and state constitutions.

To the Americans of the last of the eighteenth century, familiar with the harassing restrictions imposed by the English governors and proprietors, and accustomed to the self-reliant life of the frontiersman and primitive agriculturalist, any system of constitutional or of statute law which allowed the imposition of restraints in regard to the disposal of property or of labor power seemed to contain elements of tyranny. Their past experience on this continent and in England wrought into the very fiber of their being a distrust of a military chieftain and of an overlord of the semi-feudal type. The environment and past experience of the American pioneer naturally led him to accept the *laissez faire* doctrine with extraordinary avidity and enthusiasm; and he exhibited

his extreme confidence in the universal and perpetual validity and desirability of that system by crystallizing into bills of rights and rigid constitutional forms these principles of an exceptional or unique epoch in the world's history. And this crystallization occurred at the very threshold of an era in which the fundamental postulates of the non-interference and decentralized system of governmental control were being consigned to the scrap-heap by the uplift of a new industrial system. At the very time when a weak and growing wage earning class needed protecting legislation to guard it from the aggressions of the economically stronger employing class, the *laissez faire* philosophy was invoked to prevent the erection of adequate protecting barriers. Sailing under the motto of liberty and freedom, the *laissez faire* philosophy is favorable to the interests of the economically strong, and inimical to the interests of the economically weak.

According to the *laissez faire* theory unrestrained competition would automatically lead to fair wages, fair prices, and decent conditions of working and living; and legislative interference in regard to the relations between labor and capital was held to be unwise and unnecessary. This individualistic theory may not have been very unjust or wide of the mark in a country of undeveloped resources, small businesses, and local markets. The employer and employed of a century ago were closely in touch with each other both during and after the working day; and the producer and consumer were acquainted with each other. In our early national history the theory of non-interference may have been carried to an extreme even for that day and generation; but, if so, it was a natural reaction from the oppression of colonial trade restriction.

Since the time of the adoption of the federal constitution industrial conditions have undergone revolutionary transformations which have greatly modified the relations between

the employer and the employee, and between producer and consumer. Large business combinations, the disappearance of free land, the growth of world-wide markets, and the use of minute subdivision of labor have produced conditions such that competition is no longer adequate to insure proper working conditions in industry, or proper composition of products. Trade-union and legislative action must now be resorted to in order to accomplish what in a simpler industrial order may have been fairly well brought about by competition. But the legal rules and formulae applicable to a crude industrial society are still applied in this country. Of course, these principles have not remained unchanged. Legal interpretation of the constitution and of the common law has slowly modified as the years have rolled by. Today it would be difficult for one of the members of the Constitutional Convention of 1787 to understand our interpretation of certain important sections of the constitution. Social and economic adjustments have been so obvious and so striking that many laws affecting the condition of employment now pass the constitutional test which only a few years ago would have been summarily rejected. Nevertheless, it is true that we of the twentieth century are still controlled by the ideals generated at the time of an enthusiastic reaction from the regulations imposed by medievalism and mercantilism. It has come to pass that a legal doctrine and a social ethic which were especially acceptable to a frontier people who had been harassed in colonial times by England's restrictive policy, through incorporation into the federal and state constitutions have continued as potent and compelling forces long after their advocacy has been given up by the majority of the people of the nation.

What is Liberty? The older view of liberty was purely negative; the concept which is gradually winning favor is a positive one. According to the older idea liberty consisted

in the absence of restraints; the savage, unhampered by the legal restraints, social conventions, and ethical imperatives of modern life, was a free man par excellence. Liberty in its negative aspect is like a geometrical area, and every law restraining the individual in any manner signifies a reduction in the extent of this area. The modern positive view conceives of liberty as thriving in the presence of law. Laws regulating the mutual relations between individuals of various classes and interests may increase liberty, instead of interfering with the rights and privileges of men. The savage or the solitary frontiersmen may rationally cherish the negative ideal of liberty, but the member of a modern crowded and interdependent industrial nation finds that the negative type of liberty leads to the coercion of the weak by the strong. Negative liberty carried to its logical extreme leads to anarchy. Liberty does not mean the same today that it did yesterday, and tomorrow's interpretation will be made in the light of tomorrow's industrial and social conditions.

Men often overlook the fact that there are two important kinds of restraint placed upon individuals living in a civilized community,—economic and legal. Individual liberty, or the freedom of an individual from restraint, may often be increased by adding certain legal restraints, thereby reducing the power of certain economic restraints. The sum total of restraint may be decreased by adding to legal restraints which remove economic restraints. Many American judges seem rarely able to comprehend the simple fact that the addition of legal restraints may increase actual and concrete freedom of action. As an example, consider the law fixing the maximum number of hours per day during which women wage earners may be employed in factories. Manifestly such a law adds to the legal restraints thrown around women workers; but to assert that such a statute, framed for the purpose of protecting women wage earners from undue economic compulsion, means interfer-

ence with any sort of freedom which is valuable to the workers is absurd or disingenuous. Such legislation leads to relief from the steady pressure of economic coercion which forces women to work many hours each day, to injure their health, and to endanger posterity. Such a statute can only constitute an interference with any real and tangible form of freedom of contract when both parties to the contract are equal as bargainers. Mrs. Robins, the president of the National Women's Trade Union League, has said in words tinged with irony: "Every one who knows what is going on in the world (except judges and lawyers) knows that freedom of contract can exist only between parties on an economic equality." Equity between equals is often injustice when applied to relations between unequals. In short, it is not difficult, by fixing the attention upon the past and upon our outgrown industrial system, to so interpret liberty and freedom of contract as to lead to injustice and to coercion of the weak.

Trend of Court Decisions. The extreme aversion to legal limitations upon the independence of the individual and the excessive fear of governmental control have led to some unanticipated consequences. Certain negative clauses which restrain constituted authority were incorporated into our state and federal constitutions. These clauses were aimed at the ever-present specter of tyrannical government. By a peculiar transmutation through judicial interpretation they have become bulwarks behind which property owners are able to strongly entrench themselves. The familiar clause declaring that no person shall "be deprived of life, liberty, or property, without due process of law," was originally inserted into our constitutional system in order to prevent confiscation of property by tyrannical officials. Another familiar prohibition incorporated into our constitutional system for similar reasons declares that no law may be passed which interferes with the freedom of private contracts or

engagements. Again, more or less well defined prohibitions of special or class legislation which grants special privileges are found in the constitutions of many states; and the fourteenth amendment to the federal constitution among other things declares "that no State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." Strictly interpreted, these clauses seem to constitute a constitutional prohibition of legislation which interferes with the so-called freedom of contract, and of class legislation. In reality, these prohibitions artificially strengthen what are called individual and corporate rights, and give those rights an almost impregnable position. "The general status of the property owner under the law cannot be changed by the action of the legislature, or the executive, or the people of a State voting at the polls, or all three put together. It cannot be changed without either a concensus of opinion among the judges, which should lead them to retrace their old views, or an amendment of the Constitution of the United States by the slow and cumbersome machinery provided for that purpose, or, last — and I hope most improbable — a revolution."[1] These prohibitions, which are so firmly embedded in our legal system, are construed to prohibit any legislation which deprives a citizen of the right to buy or sell labor power whenever and under whatsoever conditions he may desire to buy or to sell.

The courts have never rigidly adhered to a strict interpretation of these phrases. A certain amount of class legislation has been allowed as a matter of practical expediency. Protective tariffs and child labor laws have long been allowed. Contracts which are "contrary to public policy" are held to be null and void. Agreements in restraint of trade and contracts not to marry are held to be contrary to public policy. The elastic element in our constitutional system in so far as it

[1] Hadley, *The Independent*, April 16, 1908.

touches the question of labor legislation is found in the concept of "contrary to public policy." Inevitably the interpretation, judicial and otherwise, changes as industrial and social forms and relations undergo modification. The law is a progressive science; but its progress is deliberate. This regulative power which modifies the right of freedom of contract and introduces certain limitations upon the exercise of property rights is called the "police power of the state." The police power is a comprehensive and somewhat vague term. It has two chief attributes; "it aims directly to secure and promote the public welfare, and it does so by restraint and compulsion."[1] As long as social and industrial conditions change, the police power must be capable of development. It is a safety valve in any community whose highest authority is derived from a written constitution which cannot be readily amended. The problem is to secure an extension of the police power which keeps pace with industrial and social change; and this problem is a difficult one in an age of revolutionary industrial and commercial changes.

Labor legislation constitutes an interference with the original and unmodified doctrines of liberty and of the freedom of contract. Labor legislation when sustained by the courts is sustained as a legitimate exercise of the police power. The decisions are still conflicting, and the outcome in a given case involving the application of the police power, uncertain; but the philosophy underlying our judicial system is undoubtedly undergoing radical and far-reaching modifications. The members of the Supreme Court of the United States are invariably men past middle age. In 1920, only one of the nine members was less than sixty years of age; and four were past seventy years of age. These men received their training and had their ideals and philosophy of life quite definitely formulated a generation ago. But

[1] Freund, *The Police Power*, p. 3.

since that time the fundamentals of economic and political science have been subjected to important transformations. As younger men, trained in the newer school of economics and saturated with the recent teachings of our colleges and universities, come to the front in the legal profession, we may confidently expect the older *laissez faire* or individualistic theory of the law and of justice to be more rapidly modified. The trend of court decisions has been away from the traditional idea of freedom of contract and *laissez faire*, and toward an increase in the police power of the state in the interests of practical and tangible freedom for the individual. The pressure of industrial change has been so potent and compelling that legal precedents, social inertia, and the direct opposition of certain classes in the community have gradually, but tardily, yielded. There is reason to believe that many limitations now deemed essential by our courts will soon be seen to be non-essential and subversive of free institutions in the twentieth century. The validity of this thesis must be maintained by a presentation of the history and present status of labor legislation. One student of this problem has arrived at the conclusion that the constitutionality of a restrictive labor law depends upon its wisdom. "In other words, granted that a restriction is wise under the given condition, it is an easy task to prove that it is also constitutional."[1] This over-enthusiastic statement is borne out in a large measure by the court decisions relative to the constitutionality of laws limiting the hours of the working day. It is perhaps needless to remark that the interpretation of what is wise or unwise in a given situation will be subject to wide variation.

Perhaps the most clear and definite example of judicial advance is found in two Illinois decisions upon laws limiting the working hours of female factory employees. The first

[1] Seager, *Political Science Quarterly*. Vol. 19: 589.

decision of the Supreme Court of that state was given in 1895. An eight-hour law was declared unconstitutional. Fifteen years later the court declared a ten-hour law constitutional. The contrast in the two decisions is indicated by the following extracts from the two decisions. In 1895 the court declared: "This enactment is a purely arbitrary restriction upon the fundamental right of the citizen to control his or her own time and faculties. It substitutes the judgment of the legislature for the judgment of the employer and employee in a matter about which they are competent to agree with each other. But the police power of the state can only be permitted to limit or abridge such a fundamental right as the right to make contracts, when the exercise of such power is necessary to promote the health, comfort, welfare, or safety of society or the public; and it is questionable whether it can be exercised to prevent injury to the individual engaged in a particular calling." Ten years earlier, in 1885, the New York Court of Appeals in declaring a law prohibiting the manufacture of cigars in tenements asked: — "What possible relation can cigar making in any building have to the health of the general public?" In the 1910 decision the court recognized that a long working day might injure women workers even if it did not adversely affect male wage earners. It presented a very different view as to the police power. "It would, therefore, seem obvious that legislation which limits the number of hours which woman shall be permitted to work to ten hours in a single day in such employments as are carried on in mechanical establishments, factories, and laundries, would tend to preserve the health of women and insure the production of vigorous offspring by them, and would directly conduce to the health, morals, and general welfare of the public, and that such legislation would fall clearly within the police power of the state." The early decision is permeated with the old individualistic and negative theory of liberty. The

recent decision accepts the doctrine that the welfare of the individual is essential to the general welfare, and that legal restraints may increase the tangible liberty of the individual and promote the general welfare. The decision of the Supreme Court of the United States, sustaining an Arkansas statute providing for the payment of wages to coal miners according to the weight of the coal mined before it is screened, has opened the way for much desirable social and labor legislation. The court has taken a sober view of the constitutional limitations placed upon its own powers to annul legislation. "If the law in controversy has a reasonable relation to the protection of the public health, safety, or welfare, it is not to be set aside because the judiciary may be of the opinion that the act will fail of its purpose or because it is thought to be an unwise exertion of the authority vested in the legislative branch of the government."[1]

History of Labor Legislation. The historical background for our labor legislation is found in England. Like other European countries in the medieval period England minutely regulated the activities of the laboring class. Wages, the length of the working day, apprenticeship, and the like were minutely determined by statutes, and combinations of workingmen were prohibited. Doubtless, as in recent years, the amount of regulation and restriction was theoretically greater as indicated by the mass of legislation than it was in actual practice. Again, as at the present time, legislation undoubtedly outstripped enforcement. In the eighteenth century, as the new industrial régime began to destroy the old, opposition to regulation developed. Gradually the old medieval system fell into disuse and disrepute. The old regulations became burdensome; mobility of labor instead of fixity was demanded by the rising manufacturing class. The customary

[1] McLean *vs.* Arkansas, 211 U. S. 539. See *The Survey*, September 3, 1910 p. 777.

regulations in regard to apprenticeship, formulated in the time of Queen Elizabeth, were destroyed piecemeal. After Lord Mansfield had voiced the sentiments prevailing during the first years of last century by declaring this famous statute to be "against the natural rights and contrary to the common law rights of the land," it was removed in 1814 from the statute books. The assault upon the Navigation Acts began in 1796. In the forties the long struggle for the repeal of the corn laws was won. Step by step mercantilism had yielded to the system of non-interference; but while the life of the old system of regulation was ebbing away, unexpected evils and complications appeared. The harmony and beneficence of *laissez faire* had apparently been over-emphasized. Production increased; but misery multiplied or became more apparent. Displacement of labor, over-worked children, unhealthful working conditions, and dreary factory villages became common phenomena. "In many ways, therefore, it might seem that the great material advances which had been made, the removal of artificial restrictions, the increase of liberty of action, the extension of the field of competition, the more enlightened opinions on economic and social relations, had failed to increase human happiness appreciably; indeed, for a time had made the condition of the mass of the people worse instead of better."[1] The evils of the period of transition from the handicraft to the factory system led to the birth of a new system of industrial regulation even before the old was entirely swept aside. The competitive game was not allowed to be fought without rules, even in the period when individualism was at its flood.

In 1802 a law was passed to alleviate the condition of the over-worked, under-fed, and abused pauper children who had been taken from the poorhouses of the large cities of England and transported to the sparsely settled districts of the north-

[1] Cheyney, *Industrial and Social History of England*, p. 239.

west which were developing manufacturing centers because of the presence of water power. This bill, entitled "Health and Morals Act to regulate the Labor of Bound Children in Cotton Factories," was, as the title indicates, restricted in its application; its importance lies chiefly in the fact that it is the forerunner of a vast array of factory laws for the amelioration of the conditions of workers of all sexes and ages in a variety of industries. "From the beginning the protection of the state was gradually extended to 'young people' and other textile industries (1833), then to women (1844), next to all large industries (1864), then to the smaller workshops generally (1867), and finally in 1878 blossomed out into a full-fledged factory act, regulating industry generally in behalf of the health and safety of the laboring population."[1]

In the medieval period, since wages and other conditions of labor were subject to regulation by the government, concerted attempts to raise wages or to shorten the working day were illegal because such attempts interfered with governmental regulation. Beginning with the sixteenth century various "combination acts" were passed. The last of such acts was enacted at the close of the eighteenth century. All agreements between workmen entered into for the purpose of raising wages or of changing any other condition of employment were declared illegal. Workmen entering into such combinations were liable to be punished by imprisonment. This legislation made the essential methods and policies of organized labor unlawful. During the first years of the nineteenth century, not only were labor organizations illegal, but the weight of public sentiment was against them. Combination laws were relics of the old mercantile system carried down into a period when *laissez faire* was dominant; but the ruling classes felt that this exception was favorable to their interests.

[1] Adams and Sumner, *Labor Problems*, p. 464.

Many English workmen were prosecuted in the first quarter of the century under the combination laws. In 1824 the combination laws were repealed; but in the following year the pendulum swung back slightly and another law was passed. The net result of the two laws was to allow wage earners to meet for the purpose of raising the wages or shortening the working day of those present at the meeting. Violence, "intimidation," and "obstruction" to accomplish these purposes were illegal. Under this legislation labor organizations became lawful, but their activities were confined within narrow limits. In 1859 it became lawful to demand higher wages or a shorter working day even when persons other than the strikers or petitioners were involved. Peaceful persuasion of fellow workmen was legalized. Finally, by laws passed by Parliament in 1871 and 1875, trade unions were definitely legalized; and their normal activities were declared to be no longer subject to legal disapproval. Unions were no longer to be considered combinations in restraint of trade, and their funds were protected. Combinations to raise prices were still illegal, but combinations to raise wages were taken out of that category. The common law doctrines in regard to restraint of trade and special legislation were modified in favor of labor organizations.

In the United States a similar change may be noted; but in this country not only the common law, but our constitutional system has acted so as to retard any modification of the doctrines of freedom of contract and of no class legislation, which would allow the legalization of labor organizations and of legislation protecting the employee. Much labor legislation has been declared unconstitutional; and, as a consequence, American workingmen have come to distrust the courts more than their English brethren. With the exception of the mechanics' lien law, free school legislation, and a few isolated attempts to limit the hours of labor for women and children,

no labor legislation of importance was passed until after the close of the Civil War. Massachusetts has led in labor legislation. In 1866 a child labor law was passed; in 1869 a state bureau of labor was established; in the seventies a ten-hour law for women and child workers and a factory inspection act were passed. These laws have served as models for similar legislation in many other commonwealths.

The Chief Forms of Labor Legislation. Labor legislation in the states of the United States relates to a variety of different subjects, such as the establishment of departments of factory inspection, limitation of the hours of labor, prohibition of night work or of Sunday labor, the exclusion of certain classes of wage earners from certain kinds of employment, provisions for the frequent payment of wages, prohibition of truck payment, guards for dangerous machinery, regulations as to the sanitary conditions within factories and workshops, regulations as to cleaning or oiling machinery, apprenticeship, discrimination against union men either in hiring or discharging workers, and many other matters touching upon the health, safety, and well-being of wage earners. In addition many regulations have been passed relating specifically to mines and mine workers.

Every state and territory and the federal government have passed legislation relating to labor. The Illinois factory law, which went into effect in January, 1910, is an excellent example of a factory act. The chief points in this particular piece of labor legislation may be summarized as follows: — (*a*) All machinery must be carefully protected. (*b*) Set screws and other dangerous projections must be countersunk or otherwise guarded, if possible. (*c*) Means must be provided for quickly stopping machinery. (*d*) Machinery must not be placed closely together; adequate passageways must be provided. (*e*) All elevators and openings in the floor must be enclosed. (*f*) Premises must be sanitary. Equal tempera-

ture must be maintained; and suitable seats must be provided for female workers. (*g*) Adequate and sanitary toilet facilities must be provided for workers of both sexes. (*h*) Food must not be eaten in any room where white lead, arsenic, or other poisonous gases are present. (*i*) Sufficient means of escape in the case of fire must be provided and kept free from obstruction. (*j*) Noxious fumes and gases must be removed as far as is practicable. (*k*) No employee shall be allowed to operate a machine with which he is not familiar. (*l*) The employer is required to report all accidents to the state factory inspector, which result in death. Over one-half of the American states have provided for factory inspection departments. In this number are included all of the industrial states of the North and West.

The efficiency of labor legislation depends: — (*a*) upon the efficiency of the inspection department; (*b*) upon the power given that department; and (*c*) upon the phraseology of the law, — for example, a law limiting the hours of labor and fixing the limits within which the work of the day may be done is more readily enforced than one merely limiting the hours. Much labor legislation is rendered useless or is emasculated through the lack of proper inspection, or by technicalities which make enforcement difficult. Again, the insertion of some clause providing for certain exemptions may result in its annulment by the courts on the ground of special legislation. There is a bewildering complexity in American labor legislation, coupled with extreme variations between states. In too many cases, boards with overlapping jurisdictions have been created; in certain states eight or more distinct groups of officials have been concerned with the administration of the labor law. The factory inspectors have as a rule been too few in number adequately to perform the task assigned them; and appointments have often been made purely for political reasons. However, the administration of laws in regard to

safety in factories has been made comparatively easy as a consequence of the passage of workingmen's compensation acts. Employees now welcome the suggestions of inspectors.

In regard to the discretionary power placed in the hands of the officials charged with the administration of factory legislation, three methods have been used. (1) The law requires certain provisions for the protection of employees, but leaves the initial step to the discretion of the factory inspection. Much is left to the judgment of an inspector who is too frequently over-worked, underpaid and poorly trained. (2) The legislature carefully defines the necessary protection and states who must provide it. The inspector must determine whether the rigid requirements are complied with. As the legislature is not well equipped to pass upon such legislation and as it meets as a rule but once in two years, the laws cannot easily be modified to meet new conditions or to remedy defects. (3) The statutes provide that suitable and reasonable safeguards must be provided; but leave the exact definition of "suitable" and "reasonable" to a commission which may hire experts, instruct and direct the factory inspectors.[1] The third method is superior to the first and second. An industrial commission, subject to court review, may determine what provisions are necessary to insure "safe" conditions in factories and other workplaces. The commission may from time to time modify their rulings as changing conditions may demand. The specific provisions of the industrial code may in this manner be carefully worked out by an administrative body rather than by a purely legislative body. The factory inspectors are instructed to see that the standardized requirements of the commission are complied with. Among the states using the third or commission plan for the enforcement of factory legislation are: Wisconsin, Ohio, New York and Pennsylvania.

[1] See Andrews, *American Labor Legislation Review*, June, 1911.

Present Status of Labor Legislation. The police power of the state furnishes the legal basis for labor legislation; but the fundamental sanctions are social and economic rather than purely legal. These sanctions rest upon at least two well-grounded piers — "posteritism" or racial improvement, and humanitarianism or the protection of the weak from the aggression of the strong. Long working days, speeded-up workers, insanitary shops, dangerous machinery — all tend to render workers and their descendants weaker and more inefficient, and to lower the physical, mental, and moral stamina of the race. In the name of what has been aptly called "posteritism," in the name of human progress, it is the duty of society through its executive machine, the government, to reduce and finally to remove the evils now apparently inseparably connected with modern industry. "The fundamental purpose of labor legislation is the conservation of the human resources of the nation" is a familiar motto of the American Association for Labor Legislation.

Society is slowly coming to the realization of the fact that equal treatment of unequals often results in gross injustice. Strong, well-organized workers may not need protective laws, the professional man may not, although he usually wishes legal enactments as to professional requirements for entrance into the profession; but the child and unorganized or poorly organized men and women workers certainly are at a disadvantage in bargaining with well-organized capital. Legal protection is necessary in order to insure fair, or even decent treatment.

Having thus briefly stated the reasons for protective laws for workers, and outlined the causes of the constitutional difficulties which obstruct progress, we may now turn to a consideration of some of the important kinds of labor legislation, actual and proposed. Factory acts relating to sanitary conditions in factories, workshops, and mines, to the guarding

of dangerous machinery, and to provisions for fire escapes and the like, have not been greatly interfered with because of constitutional difficulties. The courts generally recognize such interference with industry on the part of state legislatures to be a legitimate exercise of the police power of the state. Such provisions are written into statute laws in the interest of public health and public safety. The courts recognize that the interest of society in these fundamental matters is more important than the individual right to an abstract and theoretical freedom of contract, that is, freedom to enter into a contract which will endanger health and life.

After the state legislatures have passed laws relating to hours of labor, night work, use of dangerous machinery, or methods of wage payments, legal and constitutional complications have frequently arisen. The courts have not been easily convinced that these laws constitute a legitimate exercise of the police power, and that these laws were not unwarranted encroachments upon the freedom of contract and the rights of property guaranteed by the federal and various state constitutions. Before entering upon a somewhat detailed examination of the attitude of the courts toward these important kinds of labor legislation, it must be noted that there are three different classes of wage earners to be considered — children (under sixteen years of age), women, and men. The courts look upon these classes differently. It may also be urged that from a social or an economic viewpoint lines of demarcation may also be drawn between these classes of workers. Wages and the possibility of organization differ, and the effect of working conditions upon home life and racial efficiency is not the same for all three classes. Until recently, except in a few states, men only have been allowed to cast the ballot. The police power of the state may readily be involved in favor of children since constitutional obstacles have long been swept aside in regard to

minors. In the case of women workers the courts have sanctioned less legislative interference than they will in the case of children; but more than in the case of men. Three kinds of protective laws — those in regard to hours of work, and dangerous or unhealthful occupations, are interrelated and may be considered in connection with each other.

Laws regulating or prohibiting the employment of children as wage workers are now uniformly recognized as within the legitimate sphere of the police power. Minors have long been considered as the recipients of particular care and protection from organized society. As minors are not free to make contracts without supervision, child labor laws are not held to violate the constitutionally guaranteed rights of children. The courts clearly recognize the legitimacy of the exercise of the police power to relieve the children of the nation from the economic pressure which tends to push them into industry at an early age.

Forty-two states have passed legislation limiting the number of hours per day or per week which a woman wage worker may be permitted to work. The six states which have neglected to pass any legislation of this type are: — Alabama, Florida, Indiana, Iowa, New Mexico and West Virginia. Seven western states, the District of Columbia and Porto Rico have enacted eight-hour laws for women workers; and North Dakota and Massachusetts limit the working week for women to forty-eight hours. The remaining states place some limitations upon the working hours for women. For example, the Michigan law provides that no female shall be employed for more than an average of nine hours per day or fifty-four hours per week in any manufacturing establishment, store, hotel or theater; but permits a maximum of ten hours in a day. A few states prohibit night work on the part of women; four or five additional states limit night work to a shorter period than day work.

This legislation is, however, limited to certain specified employments instead of being inclusive. The New York law, for example, applies only to stores and factories. Nearly all the states have passed laws requiring seats to be provided for female employees; but only in about a dozen states do these laws apply to all establishments employing women. Some states have enacted legislation forbidding the employment of women in specified occupations. No less than seventeen states prohibit the employment of women in mines. The prohibition of the industrial employment of women immediately before or after childbirth has been made the subject of legislation in a small number of states. The Massachusetts law prohibits the employment of a woman for two weeks previous to and four weeks after childbirth. The Missouri law of 1919 requires a period of three before and after childbirth. European countries have quite generally recognized the desirability of legislation preventing the night work of women as well as of the employment of women immediately before or after childbirth.

The chief decisions relating to the regulation of the working hours of women wage earners are as follows: — In 1876 Massachusetts sustained a ten-hour law. In 1902 a ten-hour law for women workers was sustained in Nebraska and also in Washington. In 1906 the Oregon ten-hour law was upheld in the state courts; and two years later by the United States Supreme Court. In 1910 a statute modeled after that of Oregon was sustained in Illinois, thus reversing an earlier decision in regard to an eight-hour law for women wage earners. In 1909 an inferior court in Michigan declared the nine-hour law of that state unconstitutional in so far as it related to women workers. The act was held to be a form of class legislation because an exception was made in favor of the canning establishments of the state. The State Supreme Court in 1910 declared the law to be constitutional. In 1907

the New York statute prohibiting the night work of women wage earners was declared unconstitutional by the state courts. Another law was enacted in 1913 and declared constitutional in 1915.

The two most important cases in regard to female workers are the Oregon laundry case before the United States Supreme Court in 1908, and the Ritchie case before the Illinois Supreme Court in 1910. In both cases the constitutionality of laws restricting the hours of labor for female employees was upheld, and in both cases the tactics pursued by the lawyers for the state were similar. Louis D. Brandeis was the lawyer chiefly responsible for the briefs in both cases. Each brief is almost entirely devoted to a careful and painstaking presentation of the evil effects of a long working day upon the health of women — the mothers of the race. The appeal did not rest so much upon legal precedent as upon the evils which are today resulting from long-continued work of women in our factories, stores, and laundries. The presentation was convincing, and in each case the law was sustained as being a legitimate and desirable exercise of the police power of the state.

The Illinois case, to which reference has been made in a preceding section, is particularly interesting, because the court practically reversed an earlier decision, and because of the circumstances surrounding the trial. In September, 1909, an injunction was granted by a judge of an inferior court preventing the enforcement of the law in the case of the establishment of the complainant. The plea for the injunction came nominally from two women employees of the W. C. Ritchie Company — paper-box manufacturers. In reality, it seems to have come from an association of manufacturers. The women averred that it was impossible for them to make a living unless they were allowed to work more than ten hours per day. One of the women stated that she had been employed by the company for thirty-two years, or since she was

thirteen years of age. She asserted that she was considered to be "the most competent skilled worker in her department." Yet her employers were unable or unwilling to pay sufficient wages for ten hours' daily work to enable this woman to support herself and sister. Surely this was "a hideous admission" on the part of her employers. If such was the actual situation, the choice would lie between cheap paper boxes and healthy womanhood. But there is reason to believe that this woman was "skilled and skinned."

It may not be entirely gratuitous to ask why employers should be so eager to raise, as was done in this case, the point of interference with the worker's freedom of contract. Is it not peculiar and significant that associations of employers should suddenly become so solicitous of the rights of their female employees that they will fight this and similar legislation? The National Women's Trade Union League has declared for an eight-hour day. Their members evidently are not afraid of any loss of freedom as a consequence of such legislation. This question is a pertinent one: — "Are these anxious employers actuated by humane or selfish motives?"

The granting of the injunction placed the burden of pushing the case upon the state officials; and it was immediately taken into the State Supreme Court. Various organizations in Illinois — labor unions, religious conferences, assemblies of social workers, women's clubs, and the daily press — took up the matter; and an aggressive campaign of education was begun. Excellent lawyers were retained to aid the state's attorneys. As has been stated, the court decided that the law was not unconstitutional, and that it constituted a legitimate exercise of the police power.

A peculiar sidelight is thrown on this Illinois injunction proceeding because the judge in the lower court stated in his decision that the ten-hour law for women workers "virtually

relegates women back to dependence." The policy of the State of Illinois has been to advance the cause of women and to place women upon an equal footing with men. A law which would be held to be unconstitutional if applied to men, ought, therefore, to be held unconstitutional when applied to women, — argued the court. The only important decision of a recent date adverse to the regulation of the work of women by legislative enactment is the decision of the New York Court of Appeals in 1907 which declared the law prohibiting the night work of women wage earners to be an unwarranted interference with their right to freedom of contract. The reasoning is similar to that followed by the Illinois judge. "Under our laws," said the court, "men and women stand alike in their constitutional rights, and there is no warrant for making any discrimination between them with respect to liberty of person or contract." This decision is, however, directly contrary to the general trend of legal opinion as indicated by other recent decisions in regard to the legal regulation of the work of women. The existence of phsyiological differences between men and women is held by the courts to afford sufficient basis for an extension of the police power beyond that which will be sanctioned in the case of male workers.

Protective laws in regard to adult male workers experience great difficulty in running the gauntlet of constitutionality. The courts do not assume the same attitude toward an attempt of organized labor to obtain an eight-hour day that they do toward an attempt on the part of aggregated capital — a corporation — to acquire property. The right to daily leisure is not legally safeguarded as securely as is the right to acquire and control property. It is a phase of the old question of the relative rights of capital and of horny-handed men. A recent text book in ethics has stated the case clearly and accurately. The "legal attitude toward pressure ex-

erted by business corporations for the familiar end of acquisition" is very different from that toward pressure "exerted by the union for the novel end of a standard of living" — that is, for a shorter working day. The courts have recognized the danger of long working days in the case of mothers and future mothers; but it is not as yet understood that the general welfare also demands healthy fathers who are not overworked. The good citizen and the good father must have a reasonable amount of leisure each day and every day. Man is more than a mere working, eating, and sleeping animal or machine. May we not expect that legal recognition will soon be given to these self-evident truths? Progress has been made in this direction; but the movement has not been pronounced. The courts would, until recently, only countenance the limitation of the working day of the adult male engaged in particularly unhealthful or dangerous occupations.

Laws regulating the hours of adult labor may be divided into four classes. Over one-half of the states and the federal government have passed laws fixing the working day for public employees at eight hours. The federal statute of 1892 established an eight-hour day for employees on all government work; but interpretation by the courts and by federal officials was to the effect that the law did not apply to governmental work let out to private contractors. The act of 1912 provided that an eight-hour clause must be inserted in all contracts made by the federal government involving the work of mechanics or laborers.[1] Many cities have eight-hour provisions in their charters or have enacted eight-hour ordinances covering municipal work of various kinds. The second class of laws relate to employees in mines, smelters, laundries, and other more or less dangerous and unhealthful occupations.

[1] A few exceptions were allowed and provisions were made for emergencies.

At least a dozen states limit the hours of labor in mines and smelters to eight per day. Arizona fixes eight hours as the maximum length of the working day in laundries. A few states limit the working hours of clerks in drug and grocery stores. New York and New Jersey limit, according to a sliding scale, the maximum working hours per day for workers subjected to the pressure of compressed air in tunnels. The higher the pressure the shorter is the length of the working day legally allowed. A majority of the states and the federal government have passed legislation regulating the hours of labor of employees on railways and over ten states have passed similar laws in regard to street railway employees. These regulations are intended primarily to protect the traveling public; but the protection of the employee is also an important consideration. For this reason and because the railway business is quasi-public in character, these laws constitute a valid exercise of the police power of the state. The Adamson law passed by Congress in 1916 in order to prevent a railway strike, established eight hours as the basic working day for railway employees engaged in interstate traffic. The law has acted as a wage-fixing device rather than as a measure determining the actual length of the working day. Lastly, two states, Mississippi and Oregon, have passed statutes limiting the hours of adult male workers to ten hours per day in factory employment. Each law contains a clause granting exceptions in cases of emergency. The Oregon act provides that the overtime in cases of emergency may not exceed three hours and shall be remunerated at the rate of "time and one-half." This statute specifically states that it was passed for the purpose of promoting the general welfare. Several states have passed laws determining the length of the working day in ordinary occupations in the absence of a special contract. The constitutionality of such statutes is not in doubt; but they are ineffectual.

In order that the real status of protective legislation for adult male workers may be definitely presented, a brief statement must be made of four important decisions of the United States Supreme Court. These decisions relate to laws limiting the working hours of adult male workers in specific industries. In Atkins *vs.* The People,[1] October, 1903, the Supreme Court sustained the right of a state to provide by statute for a working day of eight hours for the employees of a state, a county, or a municipality within the state. The law may relate to work done directly for the state, or indirectly through contractors. This decision does not rest upon an enlargement of the police power of the state. The question of healthfulness or unhealthfulness of a particular occupation did not enter. The decision rested upon the broad basis that the state had the right to prescribe the conditions under which services might be performed for it.

In the famous case of Holden *vs.* Hardy (the Utah eight-hour case, 1898)[2] the United States Supreme Court upheld the Utah act which limited the length of employment of workmen in all underground mining work to eight hours per day, except in cases of emergency. The right to leisure in occupations distinctly dangerous to health or limb was recognized. Prior to this decision state supreme courts, following the 1895 decision of the Illinois Supreme Court, had held that laws limiting the working hours of females, and consequently of males, were in contravention of the fourteenth amendment to the United States Constitution. The courts of the states had been limiting the right of the state legislatures to pass laws protecting employees. The Utah case strengthened the power of the state legislatures. However this decision is not binding upon state courts; and the

[1] *Bulletin of the Bureau of Labor*, No. 50: 177–181.

[2] *Bulletin of the Bureau of Labor*, No. 17: 625–637.

Supreme Courts of Colorado and Wyoming have annulled laws somewhat similar to the Utah law.

In the case of Lochner *vs.* New York (the bakers' case) [1] the New York statute forbidding the employment of wage earners in bakeries and confectionery establishments for more than ten hours daily was declared null and void by the decision of five judges; four dissented from the majority opinion. The New York State Supreme Court had, by a divided decision, upheld the law as a reasonable health regulation, and, therefore, as coming within the police power of the state. The adverse decision of the United States Supreme Court seems to have hinged upon the question as to the healthfulness or unhealthfulness of employment in bakeries. If unhealthful, the matter of the restriction of the hours of labor came within the legitimate sphere of the police power of the state. If not distinctly unhealthful, the law interfered with the freedom of contract. In this case the majority of the court decided that the limit had been passed. It seems quite possible, even probable, that if the attorneys for the state had followed the course later taken in the Oregon case, if they had presented to the court definite and concrete facts and statistics in regard to the unhealthful conditions in the baking industry, the case might have been decided differently.

Finally, in April, 1917, the Supreme Court upheld the Oregon law limiting the hours of adult factory workers to ten per day, except in emergencies.[2] The clause providing for the payment of wages equal to time and one-half in case of overtime was held to be in the nature of a mild penalty for employers who worked their men longer than the maximum specified in the law. The Court did not refer to the bakers' case; but the Supreme Court of Mississippi in upholding the

[1] *Bulletin of the Bureau of Labor.* Nos. 57 and 59.

[2] Bunting *vs.* Oregon, 37, *Supreme Court Reporter*, p. 435; *Bulletin of Bureau of Labor Statistics*, No. 224, p. 160.

Mississippi ten-hour law held that the decision in the bakers' case did not apply because the New York law made no provisions for emergencies. The Mississippi law, like the Oregon act, made such provisions.[1]

From these decisions of the Supreme Court of the United States, the following conclusions may be drawn in regard to the constitutionality of laws limiting the length of the working of adult employees: — (1) The state legislature may determine the length of the working day in the case of work done directly or through contractors for the state, county or municipality. (2) As a health measure, the state legislature may limit the working day in any occupation, providing, at least, that exceptions are made in case of emergencies. The attitude of organized labor is unfavorable to legislation limiting the working day of adults. Unionists are in favor of getting a shorter working day by union action rather than by the decree of a state legislature. Therefore, it seems not improbable that few laws limiting the length of the working day will be passed in industrial states, — although it now appears quite clear that such laws will run the gauntlet of the courts.[2]

Effective laws providing for one day of rest in every seven are on the statute books of at least two states, Massachusetts and New York. A few more states have poorly drawn laws of the same import. Such laws allow the continuous operation of certain industries which Sunday-rest laws would not permit. "Until 1915 the American seaman was kept in a condition of semi-slavery through employment under a contract which was enforceable by imprisonment." After a long agitation, Congress in 1915 passed an act which allows seamen to leave a vessel when a safe port is reached and abolishes the danger of imprisonment for leaving the ship.

[1] *Bulletin of Bureau of Labor Statistics.* No. 112, pp. 112 ff.
[2] Carlton, *Organized Labor in American History*, pp. 253–265.

The act also provided for better working and living conditions on board American vessels.[1]

A variety of laws for the purpose of giving labor relief from harmful coercion on the part of the employer have filled the statute books of our states. Laws providing for weekly or semi-monthly payment of wages, and laws prohibiting enforced dealing at company stores and the truck payment of wages, have been passed in various states. In many cases these laws have been declared unconstitutional. If the law is general in its application, the courts rule that it interferes with freedom of contract. On the other hand, if the law applies to particular industries, it is ruled out as special legislation. Evidently trade-union, rather than legislative, action must be relied upon in regard to these measures. Nearly all states make the wage earner a preferred creditor, and also exempt his wages, to the amount of $50 or $100, or to one month's earnings, from attachment for debt.

A score or more of states have passed laws for the purpose of preventing discrimination against union men either in regard to employment or discharge. As a rule, such laws have been held to be unconstitutional. A United States statute which declared it unlawful for interstate carriers to discharge employees because of membership in a union was held to be null and void by the United States Supreme Court. "Congress could not, consistently with the Fifth Amendment," said the court, "make it a crime against the United States to discharge the employee because of his being a member of a labor organization." Six judges concurred, two dissented, and one did not participate in the decision. A point made in the dissenting opinion of Justice Holmes is worthy of notice as indicating the possibility of a modification in judicial opinion. The Justice said he could "not

[1] Andrews, *Labor Problems and Labor Legislation*, pp. 79–80. Pamphlet, 1919.

pronounce it unwarranted if Congress should decide that to foster a strong union was for the best interest, not only of the men, but of the railroads and the country at large." This clearly foreshadows an important extension of the police power.[1] However, seven years later, in 1915, the Supreme Court held unconstitutional a Kansas statute which declared that an employer might not lawfully require an employee not to join a labor organization during his term of service. The act was held to be an unwarranted interference with the freedom of contract.

As was foreshadowed in a preceding section, the conclusion to be drawn from this brief study of the judicial attitude toward labor legislation is that in the future broad social and racial considerations rather than narrow legal technicalities will be of greatest importance in weighing the merits and demerits of labor legislation. The crucial question will not be, — Does a given piece of legislation interfere with the traditional freedom of contract? It will be, — Does or does not the law under consideration tend to improve the health, stamina, and efficiency of workers, present and future? This is a fairly definite criterion. Careful studies of industrial accidents, of industrial hygiene, and of the efficiency of workers under different working conditions are needed; and the testimony should be furnished by the medical and economic experts and by the student of comparative legislation. Accurate, uncolored, and widely disseminated information as to present day conditions is demanded.

Employers' Liability. The common law relating to employers' liability developed before the workingmen were granted the ballot and while industry was still in a simple and decentralized form. According to the common law doctrine the determination of the liability for accidents in industry centers around the problem of fixing the responsibility

[1] For a discussion of decisions, see Groat, *Yale Review.* Vol. 19: 144–158.

for injury upon some definite individual, — the injured workman himself, a fellow worker, or the employer. It is grounded upon the individualism of the eighteenth century. This doctrine may not have been palpably unfair to the employee in the days of the small shop and of the hand tool, but in the era of factories and railways, and of complicated and articulated machinery, the common law doctrine of employers' liability fails to deal adequately and justly with the injured worker and his family. European countries have rejected this individualistic viewpoint and policy; there occupational risk is pushed into the foreground. American legislators and jurists have emphasized the rights of property; European lawmakers have been converted to the social point of view. European laws do not attempt to seek out and penalize the negligent individual; payment for injuries received by workmen is made a part of the ordinary cost of doing business. The compensation system, which has been quite generally adopted in European countries, awards a definite sum for injuries for which the occupation is primarily responsible. Litigation and uncertainty are avoided. If, however, the employer has been grossly negligent, it may be provided that damages may also be secured; or, if the employee was wilfully careless, that no compensation be allowed.

Under the common law the employer is required to provide "reasonably" safe machinery placed in a "reasonably" safe workshop and operated by "reasonably" careful workmen. In short, the employer must exercise "ordinary care." The employer is held to be responsible for the injury of a workman only in case he or his vice-principal has been guilty of negligence. But employers are not considered to be responsible for the danger connected with the occupation; the occupational risk is held to be assumed by the worker upon entering the service of his employer. As a matter of fact, the injured employee finds it difficult to compel the employer

to pay adequate compensation in a large percentage of cases. Three important defenses complicate the matter and weaken the case of the former, — the fellow servant doctrine, the doctrine of contributory negligence, and the doctrine of the assumption of risk. By appeal to one or more of these defenses, the burden is often placed upon the shoulders of the worker and his family instead of becoming one of the expenses of the business.

The fellow servant doctrine was not early introduced into English and American law; it is not found in other legal systems. According to this doctrine the employer is released from his liability for the negligence of his agent, provided the injured worker is a fellow employee. In case of a small employer or a small workshop it was not difficult to determine what constitutes common employment; but in large industries the matter is not simple. Are the locomotive engineer and the switchmen fellow servants? Are the man who operates the elevator and the tool-maker fellow servants? Theoretically, relieving the employer from responsibility for the negligence of a co-worker is supposed to prevent accidents due to the carelessness of fellow servants. The worker in the small shop could demand and obtain the elimination of the careless fellow worker; but in large-scale industry an employee may be injured as the result of the negligence of another employee who may be unknown to the injured person. Yet, under a strict interpretation of the law these men may be judged to be fellow servants. The locomotive engineer has practically no means of ascertaining as to the carefulness or the carelessness of a given switchman; yet the life of the former may frequently depend upon the efficiency of the switchman. Again, an injury may be due to the carelessness of fellow servants; but it may be impracticable to trace such carelessness to any one individual. Lastly, even if the responsibility for an injury can be definitely traced to a

fellow worker, the legal right to hold such responsible person is of little or no practical importance. Wage workers are often financially irresponsible. The net result of the fellow servant defense is to place the burden upon the injured man and his family in many cases where he has not been negligent. The courts have, in certain instances, manifested a tendency to modify the fellow servant defense by introducing what has been called "the departmental doctrine." An attempt is made to stretch the law to fit modern industrial conditions by classifying employees. According to this doctrine employees in different departments of a large industry are not considered as fellow servants in the legal sense. Here again the difficulty of drawing a sharp line of demarcation often appears.

The doctrine of contributory negligence places all the legal responsibility for an injury upon the disabled person if that person is partially to blame for the accident. In a few cases the courts have attempted to remedy the evident injustice of this defense by formulating a doctrine of comparative negligence. In such cases the court has tried to equitably apportion the responsibility for an accident.

The courts are inclined to assume that the employee has fairly definite knowledge of the ordinary risks in his particular trade or occupation; consequently, it is frequently held that the worker assumes the occupational risk connected with his work. Again, notwithstanding laws requiring the employers of labor to provide a safe workshop, and tools and machines which are not defective, some courts have held that if the employee knew of negligence or of defects in the machinery or tools used by him, and did not notify his superiors of such negligence or defects, he could not hold the employer responsible for injuries received. Furthermore, if the employee did call the attention of his employer to the defect and the latter neglected to remedy it, continuance at work has been considered by some courts as evidence of the assumption of the

risk. Under the unmodified common law a workman might sign, under pressure of the necessity of obtaining a job, a legally valid contract releasing the employer from all responsibility for accidents. In the case of a mining company each employee is expected to sign a contract stating that he is a "thoroughly competent and experienced workman," in the line of work in which he is engaged. The worker agrees to carefully examine practically all the equipment and appurtenances of the mine before exposing himself to the danger of mining. In order to live up to the terms of this contract it would be necessary for each worker to spend no inconsiderable amount of time each working day in ascertaining the exact condition of the equipment of the mine; and, if he did attempt to carry out his part of the agreement, doubtless his discharge would follow. Court decisions as to the legality of "contracting out" are somewhat conflicting. The Supreme Court of the District of Columbia [1] has clearly recognized the right of the legislative branch of government to declare null and void contracts in which the employee gives up his right to sue his employer for damages in case of accident. In this interesting decision the court recognized the potency of the economic pressure — the necessity of getting and keeping a job — which led workmen to sign away their rights to indemnity. The court intimated that "a poor and overworked class" should not be "permitted to barter away its rights in advance as the mere price of an opportunity to work." The court also asserted that "the supposition is that the employee assents to the contract under the stress of his situation by reason of his necessity to secure employment." The court in this decision took advanced grounds and displayed an adequate comprehension of the pressure which often forces workmen to accept conditions detrimental to their best interests and to the interests of society. Legal restriction

[1] *Bulletin of the Bureau of Labor.* No. 81, p. 412.

was recognized by the court as leading toward practical and tangible freedom through the removal of economic pressure.

Under the system of employers' liability, unless an agreement can be reached out of court, the only recourse left the injured workman is to bring suit against his employer. In either case the employee is at a disadvantage. His immediate necessities are pressing, and the ultimate outcome of a lawsuit is very uncertain. With the enlargement of the industrial unit and the consequent disappearance of the personal nexus between the employer and the employee, injuries to employees became more frequent and "enterprising lawyers who had no regard for the traditions of the profession began to promote law suits by the injured parties upon an agreement for fees contingent on success." On the other hand, the harassed employer soon found relief from recurrent litigation by insuring in liability insurance companies. For a definite annual payment the burden of defending suits in injury cases was shouldered by the liability company; this company also assumed the responsibility for all payments made to the injured employees. Skilled lawyers were employed for the purpose of defending the company. Thus another link was added in the chain between the injured workers and the parties responsible for the payment of damages. The insurance companies are organized for profit; success for the officers and lawyers means little or no compensation for the injured employees of the insuring industrial corporation. Under the liability system it is customary for employers to insure against damages in case of accidents which temporarily or permanently disable any of their employees.

The system of employers' liability did not work to the satisfaction of either the employer or the employee. (1) The system is not effective in reducing the number of accidents. (2) It is often difficult to prove negligence when negligence was actually the cause of the accident. (3) Legal redress

is expensive, uncertain and, when obtained, often long delayed and inadequate. A large percentage of the cost of the system to the employer is absorbed by lawyers and insurance companies; only a small fraction of the total cost to the employer reaches the injured worker and his family. (4) The employers' liability system tends to increase the friction between employers and employees. The lawyers of the liability company frequently use all available means to browbeat and defeat the injured employee; and the latter inevitably feels that this employer is responsible. Because of these defects, the employers' liability system is rapidly being displaced in the United States by workingmen's compensation.

Workingmen's Compensation Acts. The United States had the unenviable distinction of adhering to the theory of employers' liability after nearly every other important industrial country had adopted some definite system of compensation for accidents to employees. For years we stretched and patched our antiquated scheme of employers' liability, but it proved to be a vain endeavor. The system was inadequate, unjust, uneconomical, and it did not tend to reduce the frequency of industrial accidents. By the end of the nineteenth century most of the European countries had passed compensation acts. In addition to definite and certain compensation in case of accidents, provision had also been made before the opening of the Great War in 1914, in all important industrial nations of Europe for health insurance; and several countries provided for old age pensions. During the first decade of the century, public opinion in the United States rapidly crystallized in favor of the adoption of a system of workingmen's compensation. Official commissions, unofficial organizations, and students of social and industrial problems investigated. The American Association for Labor Legislation opened a vigorous campaign in favor of the com-

pensation system. At first organized labor was somewhat skeptical about the merits of the system; and many business men were afraid of the disastrous effects of added business expenses.

In 1902, Maryland passed the first American workingmen's compensation law; the bill was badly drawn. It was soon declared unconstitutional; but the court did not consider the legal merits or demerits of a system of compensation for industrial accidents. In 1906, the United States Philippine Commission enacted a compensation law applicable to employees of the insular government. Wages were continued during disability because of injuries for a period not exceeding ninety days. In 1908, Congress passed a compensation act which applied to "artizans and laborers employed by the United States government in any of its manufacturing establishments, arsenals or navy-yards, or in the construction of river or harbor or fortification work, or in hazardous employment on construction work in the reclamation of arid lands or the management or control of the same, or in hazardous employment under the Isthmian Canal Commission." This narrow law was extended in its scope by subsequent modifications; but it applied only to about one-fourth of the government's civilian employees. In 1916, it was superseded by a well-drawn law covering the civilian employees of the federal government. In 1909, the state of Montana passed a crude compensation act to cover injuries received by workers in coal mines. This law was declared unconstitutional on technical grounds. On September 1, 1910, a compulsory act went into effect in New York. This law applied to a specified number of hazardous employments. In March, 1911, this act was declared unconstitutional by the New York Court of Appeals.

The first permanent compensation acts became effective in 1911. In that year compensation acts were placed on the

statute books of California, New Jersey, Washington and Wisconsin. After 1911, the enactment of such legislation was rapid; the compensation system apparently soon proved its desirability in actual practice. In January, 1920, forty-two states and the territories of Alaska, Hawaii and Porto Rico had workingmen's compensation laws in force; and the federal government protected all civilian employees of the United States. The six states which still cling to the antiquated employers' system, described in the preceding section, are: — Arkansas, Florida, Mississippi, North Carolina and South Carolina. These six states are southern states without considerable industrial development. The District of Columbia is also without a compensation law.

The advantages of the compensation system for industrial accidents are practically the obverse of the disadvantages of the system of employers' liability. A good system (1) should guarantee, without the taint of charity, prompt and adequate compensation for injuries ; (2) it should reduce the number of preventable accidents; (3) resort to the courts should be eliminated; (4) the extent of the employers' liability should be very definitely fixed so that the probable expense can be estimated with a fair degree of accuracy; (5) a contract waiving the right to receive compensation should be null and void; (6) the system should be carefully supervised by competent officials; and (7) provision should be made for re-training such workers as have been crippled by industrial accidents.

Under the old liability system, some individual was assumed to be responsible for each and every accident, — the employer, a fellow workman, or the injured person. Under workingmen's compensation, the burden of economic compensation in case of accident is placed, like fire insurance, among the expenses of business operation. This burden is reduced as the accident rate is lowered by the increased use

of safety devices and the greater emphasis upon carefulness. The prime test of a workingmen's compensation law is found in the reduction in the number of preventable accidents. The American people have been famous for inventions which increase output and "save labor"; but Americans have not ranked high as inventors of life and limb saving devices. There is good reason for asserting that the emphasis upon "safety first" is the fruit of workingmen's compensation legislation. A system of compensation for accidents makes it profitable to be humane and to protect employees; the old system of employers' liability, with its burden of legal technicalities, often made it seem profitable to be cruel, and careless and wasteful of human life and limb. Under an adequate workingmen's compensation law, the firm having more accidents than its competitors will have an extra expense to bear. Such legislation is scientific; it is far better than coercive laws which aim to force the use of safety appliances by means of legal penalties.

The constitutionality of a compulsory workingmen's compensation act was definitely established in two decisions rendered by the federal Supreme Court on March 6, 1917. In the first decision upholding the constitutionality of the New York compensation act of 1914, the Court held: — "It is plain that, on grounds of natural justice, it is not unreasonable for the State, while relieving the employer from responsibility for damages measured by the common-law standards and payable in cases where he or those for whose conduct he is answerable are found to be at fault, to require him to contribute a reasonable amount, and according to a reasonable and definite scale, by way of compensation for the loss of earning power incurred in the common enterprise, irrespective of the question of negligence, instead of leaving the entire loss to rest where it may chance to fall — that is upon the injured employee or his dependents." In the second

decision in regard to the Washington act the Court indicated clearly that it was of the opinion that compulsory compensation acts constitute reasonable extensions of the police power.[1]

In approximately two-thirds of the states which have adopted compensation plans, the laws are optional or elective, not compulsory. After the decision handed down by the New York Court of Appeals in 1911, declaring the first New York compulsory compensation act unconstitutional there was much hesitancy over the enactment of compulsory laws. The elective laws usually contain clauses which are intended to induce employers to come under the provisions of the acts. The usual method is to deprive the employer, refusing or neglecting to accept the provisions of the law, of the defenses which have figured so prominently in the cases tried under the employers' liability laws, namely, the fellow servant doctrine, the doctrine of contributory negligence, and that of assumption of risk. On the other hand, if a worker, employed by a firm accepting the provisions of the elective compensation act, demands exemption from its provision, the company will be allowed to use these three common-law defenses in case a suit is brought for damages under the old employers' liability law. In all of the states, except Oregon, the actual compensation costs are entirely borne by the employer; the states, however, pay part at least of the expenses of administering the acts. In Oregon, the State pays an amount equal to one-seventh of the premium paid by the employer, into a state fund; and each employee covered by the act also contributes one cent per day employed.

The compensation laws enacted by the various states differ greatly in regard to the benefits provided, the number of workmen covered by the legislation, the waiting period, the provisions for payment of the compensation award, and the

[1] *Bulletin of Bureau of Labor Statistics*, No. 224, pp. 232 ff. and 252 ff.

administration of the system. In all except three states the amount of cash compensation is based upon the weekly wages paid. Certain states, however, provide for lump-sum payments for specified injuries. As a rule a fixed percentage of the wage received is allowed for all injuries. In case of permanent or partial disability or death, the percentages vary from fifty in eighteen states to sixty-six and two-thirds in eight states and in the case of the federal law. For permanent disability, eighteen states and the federal government provide for payment of benefits during the life of the injured worker. Other laws fix a maximum number of weeks during which payments shall be made. The majority of the states provide for greater benefits in case of permanent total disability than in the case of a fatal accident. It is recognized that the family would suffer a greater economic loss if the breadwinner were permanently disabled than it does if he were killed outright. Provisions are also made for medical aid in addition to cash benefits.

The coverage or percentage of the entire number of workers given the protection of the compensation laws varies greatly, from 99.8 per cent in New Jersey and 92.6 per cent in Hawaii to only 30.7 per cent in New Mexico and 20.5 per cent in Porto Rico. In some states the legislation only covers so-called "hazardous" occupations; employers hiring less than three or five workers are usually not subject to the provisions of the acts; casual workers, domestic servants, and farm laborers are also as a rule not given the protection of the compensation laws. New Jersey is the only state which gives domestic servants the protection of a compensation law; and all states, except New Jersey and Hawaii, exclude farm laborers. The employees of interstate railways are also in the excluded classes. It has been estimated recently that at least 7,400,000 employees in the compensation states are not covered by the acts; of this number about 1,250,000

are railway employees.[1] Evidently there is much need of greater uniformity in compensation legislation. Surely injuries in less hazardous employment and in small shops may cause as much physical suffering and as much economic distress as in hazardous or large-scale industries; and certainly it is desirable that the frequency of accidents should be reduced in all kinds of industries. The coverage provisions that have been incorporated in the New Jersey statute should be adopted in other states.

The compensation laws, except in Oregon and Porto Rico, provide for a "waiting period" after the accident during which time no compensation is paid. In twenty-two states, this period is one week, and in thirteen it is two weeks. However, in twenty-one states the waiting period is eliminated if the disability extends beyond a specified length. The length of the waiting period should not be over one week. Four different methods are used in carrying the insurance provided under compensation laws: a state fund into which employers pay the required premiums; insurance in a private insurance company; insurance in a mutual insurance company; or the risk may be carried by the employing company. Seventeen states provide for a state fund; in eight of these states (minor exceptions in two) the state fund is exclusive of other methods. The Michigan law provides that any one of the four may be selected. In 1915, of the employing companies covered by the law, 88.2 per cent insured in a stock company; 5.1 per cent in a mutual company; 3.7 per cent in the state fund; and 3 per cent carried their own risk. The companies carrying their own risk employed 31.2 per cent of all the employees covered in the State. A responsible administrative body should be organized to see that the injured worker and his family receive the payments provided for in the law, that these payments are paid promptly, and that

[1] Fisher, *American Economic Review*, March, 1920, p. 46. Vol. 10.

the necessity of litigation is removed. In ten states, however, no provision is made for such an administrative body.[1]

The chief weaknesses of the compensation laws of American states are lack of uniformity, insufficient coverage, failure to include disability resulting from industrial or occupational diseases, and the lack of provision for vocational re-education of disabled workers. The first two weaknesses have been briefly discussed, and the attention will now be directed only to the third and fourth. Industrial diseases result from sudden changes of temperature in such plants as glass or iron and steel factories, extreme humidity of the shop atmosphere, abnormal air pressure, industrial poisons as in lead-working plants, and dust as in stone cutting or in the use of emery wheels. An industrial disease is as certainly an industrial hazard as an industrial accident. The former is produced by small, oft-repeated, unnoticed injuries; the latter is more spectacular and is the result of one definite injury. The danger of contracting industrial disease is, however, an occupational risk; and this risk may be reduced by preventive measures. All of the arguments in favor of a compensation law for industrial accidents may logically be used in arguing for the coverage of industrial diseases. Five states, Hawaii and the United States government have compensation laws which cover industrial diseases. Up to date (1920) very little has been done toward evolving an adequate plan of rehabilitating industrial cripples. Compensation is not enough; it is highly desirable from the point of view of society, as well as that of the injured worker and his family, that the permanently injured worker be so treated and re-trained as to allow him, if possible, to become a wage worker again. It may be necessary for him to learn a new trade or occupation. The equipment, with necessary additions, for rehabilitating war

[1] For a brief analysis of the compensation acts of American states, see *Monthly Labor Review*, January and April, 1920.

cripples might be utilized for the re-training of crippled industrial workers.

Health Insurance in the United States. In 1914, nearly all of the indsutrial countries of Europe provided for some form of health insurance for industrial workers. The United States having neglected to adopt any form of health insurance, was placed alongside of such backward countries from the industrial point of view as Spain, Portugal, Italy, Greece, Bulgaria, Albania, Montenegro and Turkey. In the United States, the desirability of health insurance legislation has been urged upon several state legislatures. At least eight states have had official commissions investigating the subject. In 1919, a bill was introduced into the state legislature of New York providing for health insurance. The principle of the measure was endorsed by the Governor, and its passage was urged by the State Federation of Labor, The American Association for Labor Legislation, the Consumers' League, and other organizations. The bill provided for medical and surgical treatment, medicine and appliances for twenty-six weeks a year, for dental care, and for a cash benefit for twenty-six weeks a year equal to two-thirds of the wages received by the insured employee. Working women were also to be allowed a special maternity benefit for two weeks before and six weeks after childbirth, provided they did not work during such time. The cost of the benefits was to be divided equally between employer and employee. The funds were to be administered by local mutual organizations supervised by state officials.

The draft of a standard bill for compulsory health insurance prepared for the American Association for Labor Legislation was carefully worked out and subjected to detailed criticism. This proposed piece of legislation provides that forty per cent of the necessary premiums be paid by the insured employee, forty per cent by the employer, and the remaining

twenty per cent by the state government. This triple form of payment is held to correspond roughly with the relative burden of responsibility for the sickness of the wage worker. The insurance is to be carried in one of three ways: (1) by a state fund; (2) by approved societies or unions; (3) by district mutual insurance associations. The benefits to be provided by insurance carriers are medical, surgical and nursing attendance; medical and surgical supplies; funeral benefits; maternity benefits; and cash benefits. The cash benefit is to begin on the fourth day of illness; it shall be equal to two-thirds of the weekly wages of the insured; and it shall not be paid for more than thirteen weeks in any one case, or more than twenty-six weeks in any one year. The system is to be supervised by a state insurance commission. Provisions are made for varying the premium rates in accord with the sickness rate; and provisions are inserted for the purpose of securing competent and acceptable medical service.[1]

Sickness is a far more important cause of poverty and dependency than accidents; and much sickness is preventable. The primary purpose of health insurance should be to prevent sickness rather than to relieve the distress in the families of wage workers, caused by the illness of the breadwinner. Scientific health insurance legislation will stress efficiency rather than philanthropy; it will cause the employer, the employee and the public generally to look upon sickness not merely as a personal misfortune but more particularly as an economic calamity in which the nation is vitally interested. A properly drawn health insurance act will make the reduction of the sickness rate financially desirable to both employer and employee. After workingmen's compensation acts went into effect, the services of safety experts were in demand;

[1] See *American Labor Legislation Review*, June and Dec., 1916, March and Dec., 1917; and pamphlets issued by the American Association for Labor Legislation.

for similar reasons after the passage of health insurance acts the service of medical experts will be called for in order to eliminate much sickness and thus to reduce insurance rates. Instead of trying by means of coercive legislation to punish employers for insanitary and unhealthful conditions in their workplaces which will increase the sickness rate among their employees, let the plan of rewarding them for improving workshop conditions by lowering insurance rates, be given a thorough trial.[1] Such are the arguments advanced in support of health insurance.

Health insurance is much more complicated than workingmen's compensation. No state should enact a health insurance act without very careful and detailed study. The insurance interests and many physicians have looked with disfavor or distrust upon compulsory health insurance. The attitude of organized labor, at first inclined to be hostile, is gradually becoming more favorable. A considerable group of state federations of labor and of national unions have gone on record in favor of health insurance. In 1918, the Convention of the American Federation of Labor authorized the appointment of a committee for the study of health insurance. This committee could not reach an agreement. The following year the Executive Council of the Federation was authorized to give the matter consideration and to report to the annual convention in 1920. It is quite clear that a voluntary health insurance act is inadequate. Only a small percentage of the people will be reached; and few of the wage workers will be insured. Like education, health insurance, if adopted, should be universal and compulsory.

Old Age Insurance and Pensions. Social insurance against dependency in old age is found in two forms: — insurance in which the worker contributes to the fund, and a pension granted to the indigent and worthy aged industrial worker.

[1] Commons, *The Survey*, September 6, 1919.

Germany and France have adopted the first form. In these two countries, before the opening of the Great War, the system covered accident, sickness and old age In Germany, nearly all wage workers were brought under the law Two-thirds of the sickness insurance was paid by the workers and one-third by the employer. In 1905 nearly twelve millions of wage earners were insured against sickness; and benefits were paid amounting to about sixty million dollars. Toward the cost of each invalidity and old age pension the Imperial government contributes approximately twelve dollars per year. The remaining expense was divided equally between the employer and the employees. The German system may be called "compulsory contributory insurance with state subsidy." In 1905 the number of persons insured against old age and invalidity was nearly forty millions. On January 1, 1909, about eight times as many persons were receiving invalidity pensions as were receiving old age pensions. The average annual amount paid to each pensioned individual was about thirty-eight dollars.[1] The burden of this triple insurance system upon the German employer was not heavy. The following statistics are from a large steel company. In 1908, 1,750 persons were employed — 1,630 workmen and 120 office employees. The average earnings per worker were 1,633 marks.

Compulsory contributions of employer per workman for the year 1908:

Sickness	12.96 marks
Accident	28.94
Old Age and Infirmity	9.02
Total	50.92 marks or 3.11 per cent. of the wages paid.

Contributions of the workmen:

Sickness	26.20 marks
Old Age and Infirmity	9.02
Total	35.22 marks or 2.16 per cent. of the wages received.

[1] Dawson, *The Evolution of Modern Germany*, p. 157.

The whole insurance system cost this large steel company and its employees only about five and one-fourth per cent of the wages. Is it not worth the cost? [1]

In 1910 France passed a compulsory insurance law somewhat similar to that of Germany. Insurance is prescribed for practically all workers of both sexes receiving wages less than 3,000 francs per year. Employers and employees pay premiums and the government supplements the fund. The pensionable age is fixed at sixty-five years; in Germany the age is seventy years. The French law also makes provision for the widows and children of deceased insured wage earners. [2]

The straight old age pension system is more widely used. England, Belgium, Denmark, New South Wales, Victoria, and New Zealand grant old age pensions to necessitous persons over sixty-five years of age (seventy in England, sixty in Denmark) "who have led respectable lives, and who are believed to deserve assistance less humiliating in nature than the ordinary poor relief, from which these pensions are quite sharply distinguished." The Denmark law has been in force since 1891. Pensions are granted to all needy applicants sixty years of age and upwards who have received no relief except hospital treatment for ten years. The parishes and the central government provide the funds; individuals do not contribute. The pension is supposed to be sufficient to support the person relieved. In Copenhagen, where the cost of living is relatively high, the average pension for married couples is nine pounds, five shillings; for single persons, seven pounds, nine shillings annually. In the rural districts the amount varies from three and one-half to five pounds. Local authorities fix the amount of the annuity. No deduction is made for other income unless

[1] Taussig, *Quarterly Journal of Economics*, November, 1909, pp. 191–194. Foerster, *Quarterly Journal of Economics*. Vol. 24: 763–770.

it exceeds five pounds, eleven shillings. Pensions may be paid in cash or in kind, or the pensioner may enter a home for the aged. At the end of the year 1901, 60,000 persons or 22 per cent of the population above the age limit were receiving pensions; 13,000 of this number had dependent families.

The English pension law went into effect on January 1, 1909. In its general features it is similar to the systems of Denmark and New Zealand. Pensions may be granted to men and women who have attained the age of seventy years. Pensions are paid out of funds provided by Parliament. No contributions are required from the pensioners while they are self-supporting. The pension is paid weekly, and a pension is inalienable. Every pensioner must have resided as a British subject in the United Kingdom for twenty years, and must not have received any poor relief other than medical and surgical assistance. The number of pensioners in 1909 was over 600,000. Criminals, lunatics, and inebriates are disqualified. Character is taken into account; a man who has failed to work according to his ability and opportunity may be debarred from receiving a pension. But no person can be debarred who continuously made payments for ten years before he was sixty years of age to trade unions maintaining benefit systems. No one whose income is over $160 per year is entitled to a pension. The maximum pension is $1.25 per week.

In New South Wales persons over sixty years of age who are incapacitated from earning a livelihood, and persons over sixtv-five years of age are eligible to receive a pension. The pensioner must have been a resident of the state for the preceding twenty-five years. The amount of the pension is (1908) $126.53 per year. If a person receives other income or owns property, provision is made for reducing this amount. In 1905 nearly one-half of the persons over sixty-five years

of age received old age pensions. In New Zealand, New South Wales, and Victoria the pension is paid by the government. It is considered to be the duty of the state to care for the aged and infirm. The systems of Denmark, England, and New South Wales are not insurance systems. The countries grant "partial non-contributory pensions." The word "partial" is used because pensions are not granted to all aged persons.

A plea for compulsory sickness insurance or for old age pensions is still met in this country by the old cry of paternalism. Individual savings accounts or voluntary insurance are pointed to as the proper methods of providing for sickness and old age. Our industrial and political leaders are dominated by the individualistic optimism of the so-called "self-made" man who completely overlooks the fact that revolutionary changes have occurred within the space of a generation. Our wealthy and "self-made" men have repeated over and over to the rising generation and the wage earning class the story of their start in life. A graphic account is given of the method used to earn the first dollar. Frugality and saving the pennies are the magic watchwords. Viewed in the light of such testimony, the idea of compulsory insurance and non-contributory pensions looks utopian and dangerous. It would seem that such systems would inevitably destroy self-reliance and make the worker a "mollycoddle." If, however, a more searching examination is made of the careers of these self-made men, it is usually discovered that the exploitation of natural resources and the ownership of valuable privileges or franchises, rather than mere frugality, furnished the basis of their economic prosperity. Today by mere frugality and saving neither the wage earner nor the average salaried man can hope to become moderately well-to-do. In fact, he can scarcely save enough to keep him in his old age without lowering his standard of living. Multitudes of families in

this country do not receive sufficient income to warrant any attempt to save for old age or for a "rainy day." In an epoch of small-scale industry, when competition was active and the capillarity of classes was considerable, an old age pension scheme might and probably would have discouraged thrift and foresight. But today, in an advanced industrial nation, the conditions of industrial life and the increasing immobility of classes are such as to discourage individual frugality and savings. Under such conditions the validity of the argument, that a non-contributory pension system will discourage thrift and foresight, may be questioned.

Sickness and old age are prolific causes of dependency. The arguments in favor of a system of compensation for industrial accidents as a desirable and humane method of reducing the amount of want, suffering, and need of charitable aid, apply with added strength in the case of sickness insurance and old age pensions. If wage earners cannot, without an undesirable lowering of the standard of living, save enough to provide for periods of sickness and for old age, surely the government ought to relieve the distress and by some more adequate and humane means than the poorhouse. A pension system may reduce individual initiative — although it may be questioned whether placing small sums at occasional intervals in a savings bank is very effective in stimulating individual initiative — but it will certainly promote the welfare of the wage earners. The dread of the uncertain future will be replaced by a feeling of security. But it is urged that pensioning wage earners will lead to unwise and harmful expenditure of present income. Fourscore years ago Randolph urged against the establishment of free schools in Virginia for similar reasons. He said that reduced expenditures for the education of their children would lead fathers to become drunkards and idlers. They would waste the portion of their income which had hitherto been spent for tuition in

riotous living. Randolph was mistaken; and it is not proven that pensioning wage earners will cause an increase in the relative amount of unwise and harmful expenditure of present and future income. On the contrary, uncertainty as to the future and the fear of future unemployment or of industrial depression often lead wage earners to spend their income recklessly. An old-age pension system for all poor, but worthy, industrial workers in the United States would involve large expenditures. It was estimated in 1912 that there were "approximately 1,250,000 former wage earners who have reached the age of sixty-five years in want," and who were at that time "being supported by charity, public and private." [1]

Our federal and state governments pension certain classes of employees; American cities are pensioning policemen, firemen and teachers. A few labor organizations have organized pension systems. An increasing group of corporations are pensioning certain grades of employees. In this list may be mentioned, the Standard Oil Company, the United States Steel Corporation, Sears, Roebuck and Company, the Western Electric Company, Armour and Company, and Swift and Company. The amount of pension allowed usually varies according to the wages received and the length of the term of service. The United States Steel Corporation provides for a monthly pension equal to one per cent of the average monthly wage received during the ten years preceding retirement, multiplied by the number of years of service. Organized labor has been somewhat distrustful of pension schemes and benefit societies originated by employing corporations. It is felt that, although membership in the benefit societies is usually voluntary, the employee neglecting or refusing to join is in danger of being discriminated against. Membership in a benefit society will also tend to

[1] Squier, *Old Age Dependence in the United States*, p. 3.

make employees conservative, and will weaken their loyalty to their labor organization. In case of a labor dispute the old employee who is about to be pensioned will have a strong incentive to break with his union, as loyalty to the union in case of a strike may mean the loss of the opportunity to receive a pension.

Pension System of the International Typographical Union. The International Typographical Union adopted in 1907 a plan for granting old age pensions to its members. The scheme provided that eligible applicants for a pension must be at least sixty years of age, and must have been for twenty consecutive years members of the International Typographical Union. In addition two other qualifications are required: (*a*) each applicant must be earning less than four dollars per week, and (*b*) he must have no other income or means of support. The amount of the weekly payment is four dollars. The revenue for the pension fund is derived from an assessment of one-half of one per cent upon the earnings of the members of the union. The organization also opened, in 1892, at Colorado Springs, a home for disabled printers. In 1918, the union paid $287,015 in old age pensions.

The Massachusetts Old Age Annuity System. Massachusetts provides by law for an old age annuity system. The Massachusetts law respects the traditional American predilection for individual independence and for a minimum of government interference. The savings banks of the state are allowed to enter the insurance business; but they are not allowed to solicit business. The plan is to reduce expenses to a minimum, and at the same time provide adequate security. "Annuities and life insurance will be furnished to the wage earners at the lowest possible cost. The only dividends will be those paid to the policy holders who will get their equitable share of all the profits of the business." A wage earner may deposit monthly a small sum. After the depositor attains

the age of sixty-five, an annuity will be paid, or if he dies before that time, insurance will be paid to his family. Each policy also earns a share of the profits of the insurance department of the bank. Members of the American Federation of Labor urged the passage of the act. The Massachusetts law provides for a voluntary annuity plan.

The American Association for Labor Legislation. This association is a branch of the International Association for Labor Legislation. It was founded in 1906. According to its constitution it aims "to promote the uniformity of labor legislation in the United States" and "to encourage the study of labor legislation." The lack of uniformity in legislation among our forty-odd states has been a serious evil. Much of this lack of uniformity has been due to the absence of information as to what had been accomplished in other states and nations. This association is doing an important work in giving to the public accurate monographs on comparative legislation, definite facts as to industrial diseases and the effect of night work upon workers, and a variety of information as to industrial conditions. The Association was an important factor in hastening the adoption of workingmen's compensation laws; it has also made an active campaign in favor of health insurance.

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CHAPTER XII

IMMIGRATION

The immigration from foreign countries is of direct import to the wage earners of the United States, because it increases the supply of workers, because the incoming workers may possess a lower standard of living than the native workman thus endangering the existing scale of wages, and because such immigration may increase subdivision of labor and thus modify working conditions. Less directly immigration will affect the wage earners by modifying the character of labor organizations, by introducing new factors into state, local, and national politics, and by increasing racial differences.

History. Definite records of immigration to the United States begin with the year 1820. Before that date no accurate statistics are available. Nevertheless, it may be assumed that immigration was inconsiderable and that the natural rate of increase of the population was not small. In 1751 Benjamin Franklin estimated that the one million inhabitants of the Colonies were the descendants of immigrants not exceeding eighty thousand in number. From 1776, the year in which the Declaration of Independence was signed, to 1820 there were few incentives for immigration into this newly organized nation. A commonly accepted estimate of the total immigration from 1776 to 1820 fixed the number at 250,000.

After 1820 westward expansion became rapid, and American industrial advance began. A graphic chart showing the number of immigrants coming to this country during the nine decades subsequent to 1820 presents a wave-like appear-

ance.[1] Each succeeding wave is, with one exception, higher than the one which preceded it. The first wave reached its highest point in the fiscal years 1836 and 1837. The second wave culminated in 1851 to 1854; the third in 1866 to 1873; the fourth in 1882; and the fifth in 1892. The sixth and mightiest wave reached a maximum in 1907; the seventh and last big wave appeared in 1914. The number of immigrants in 1837 was 79,380; in 1854, 427,833; in 1873, 459,803; in 1882, 788,992; in 1892, 579,663; in 1907, 1,285,349.[2] Following the crest of each wave is a period in which the number of immigrants is reduced. The low water marks are found in 1838, 1862, 1878, 1886, and 1898. The figures for these years are 38,914, 72,183, 138,469, 334,203, and 229,299 respectively. In 1909, the number of immigrants was 751,786 or 533,563 less than in 1907, the year of maximum immigration up to the present. In 1910, 1,041,570 were admitted; in 1912, the number fell to 838,172; and, in 1914, increased to 1,218,420. With the outbreak of hostilities in 1914, the stream of immigration was greatly reduced. The number of immigrant aliens admitted since the opening of the War is as follows: 1915, 326,700; 1916, 298,826; 1917, 295,403; 1918, 110,618; 1919, 141,140.

From 1820 to 1910, nearly thirty millions of Europeans migrated to this country. This stream of human beings is larger than was the total population of the United States in 1850; it is almost equal to the number of people dwelling within our borders when Lincoln was elected President. During 1910, the number of immigrants coming to our shores, many of whom were seeking homes and were to become citizens and the parents of future citizens, was greater than the population of New Hampshire, Vermont, and Delaware; it exceeded in amount the population of five young western

[1] See Chart I in the *Report of the Commissioner-General of Immigration* (1909).

[2] The figures for years preceding 1867 are for "Alien Passengers."

commonwealths, Idaho, Wyoming, New Mexico, Arizona, and Nevada. In 1910 only twenty-seven states exceeded in population the number of immigrants who came in one year, 1907. That incoming horde was equal to one-third of the total population reported by the first census (1790). In the words of Professor Ripley, "we have to do, not with the slow processes of growth by deposit or accretion, but with violent and volcanic dislocation. We are called upon to survey a lava-flow of population, suddenly cast forth from Europe and spread indiscriminately over a new continent."

The total immigration during a given time is always more than the net gain because many immigrants return each year to their home country. Accurate statistics of emigrant aliens were not gathered until the fiscal year of 1908. During that year the alien immigration amounted to 782,870, and the alien emigration to 295,073; or the net gain through immigration was 387,797. In 1911, the net immigration was 512,085. The Bureau of Immigration estimated that the net immigration (that is, the total alien immigration minus the alien emigration) for the ten-year period ending June 30, 1908, was 68 per cent of the total alien immigration for that period. During a period of depression the outward flow becomes considerable. From November 22, 1907, to January 1, 1908, 103,848 persons were reported to have sailed third class from the ports of the United States and Canada for Europe. During the fiscal year 1917 and 1918, the number of emigrant aliens was 66,277 and 94,855 respectively; and the net alien immigration was 228,818 and 16,033.

The World War brought new phases of the immigration problem into prominence. The selective draft disclosed to the American people that many recent immigrants had "experienced only the faintest initiation into the real life of the nation." As a consequence of this new vision and of the ultra-radical agitation in 1919, a vigorous demand for Ameri-

canization has arisen. The urgency of these measures will depend upon the size of the stream of immigration during the next decade or two. The rise in rural land values during the last fifteen years will act as a check on the influx of men from Northern Europe who are anxious to become land-owning farmers. This class in Great Britain, France, and Germany, if they wish to leave the home country and are not prevented by restrictions on the part of the home government, will be more likely to migrate to Canada, Australia, South America, Asia Minor or Mexico than to a country of higher land values. The opportunities offered by the United States in recent decades have not appealed to the people of Northwestern Europe; and there is no reason for anticipating any considerable influx from these countries. On the other hand, the unfortunate economic conditions in the Balkan States, Austria, Hungary, and Russia will doubtless cause many to migrate, unless checked by home legislation. The poorly developed parts of the world will not attract this type of people; and we may expect a large percentage of the outgoing stream unless the United States places further restrictions upon immigration.

Causes. The rise and fall of the immigration waves are very closely connected with the phenomenon of prosperity and depression in this country. Other forces act so as to change the course of immigration, but the connection between prosperity and influx of immigrants is evident even to the casual observer. The years tracing the high water mark of immigration are almost invariably preceded by epochs of prosperity and of business expansion, and are as invariably followed by years of depression and of business retrenchment. The wave culminating in 1854 seems to have been an exception to this statement. In that case the ending of acute political and economic disturbance in Europe and the Know-Nothing agitation in the United States operated to cause a

marked diminution in the amount of immigration in the midst of a period of prosperity on this side of the Atlantic. The small immigration in the fiscal year of 1862 is due to abnormal conditions accompanying the Civil War. A curve representing imports per capita presents almost the same wave-like appearance as does that of immigration. The year 1857 rather than 1854 marks the crest of the wave corresponding to the immigration wave culminating in the latter year.

Political and religious persecutions have played an important part in stimulating the migration of people to America which has been so often and so vividly painted as a haven of refuge for the weak and oppressed of all nations. Persecution was a potent factor in the colonization of the Atlantic coastal plain. Puritans, Roman Catholics, Quakers, and Scotch-Irish migrated to escape persecution and to reach a locality where they might be free from the fetters of European tyranny. After the revolutionary disturbances in Germany large numbers of political liberals came to this country. In 1850, 63,182 alien passengers were reported as coming from Germany; in 1852, 145,918; and in 1854, 215,009. The following year the number abruptly dropped to 71,918. The immigration from Germany in 1882 was 250,630; this is the only year in which the influx exceeded that of 1854. In 1907 Germany only contributed 37,807. Many Russians, Jews, and Poles have migrated to our shores because of religious and political persecution. The desire to escape compulsory military service has also been a factor in inducing migration to this country.

Another cause is found in the low wages and bad economic conditions in certain European countries. The great migration of Irish from 1847 to 1854 was induced by the suffering in connection with the potato famine and the landlord system. During this period of eight years nearly 1,200,000 Irish crossed the Atlantic to seek homes in America. Others were

attracted by the possibility of obtaining farm land. In recent years the man from southern Europe has been induced to leave his native land because of the high money wage paid in the United States. The fundamental causes of immigration to the United States since 1820 are found in the apparent contrast between political and religious persecution or oppression in the Old World, and religious and political tolerance and freedom in the United States; and also in the apparent contrast between the economic and labor conditions in the old and exploited countries of Europe and the young nation of the New World, abounding in land and undeveloped resources.

In addition to the underlying causes of immigration several secondary forces materially increased the total volume in the decades immediately preceding 1914. The ease of transportation and communication in recent years has increased the amount of immigration. It is no longer a dangerous and trying experiment to cross the ocean. The trip can be made quickly, cheaply, and surely. Immigration is no longer restricted to the self-reliant, the ambitious, and the forceful. While on the journey, the immigrant is looked after and directed, and after he lands a job is found for him. "The sea formerly acted as a sieve, now the meshes let through every species of voyager." Before the War, steamship companies had thousands of agents eager to stimulate immigration from the various European countries to the United States. "Runners" went from village to village in Southern Europe attempting to induce the natives to emigrate; they were paid commissions by the steamship companies. Boarding house keepers, liquor dealers, and others whose business brought them in contact with many people were utilized as sub-agents. An investigation by a special agent of the Bureau of Immigration showed "that all of the steamship lines engaged in bringing aliens from Europe to this country have persistently and systematically violated

the law, both in its letter and spirit, by making use of every possible means to encourage the peasants of Europe to purchase tickets over their lines to this country."[1] Many American employers of labor are also very anxious to increase the volume of immigration. Professor Commons has well said: "The desire to get cheap labor, to take the passenger fares, and to sell land have probably brought more immigrants than the hard conditions of Europe, Asia, and Africa have sent." The demand for cheap labor and for profits, brought to our shores the negro slave and the indentured white servant; and it greatly stimulated the immigration of unskilled labor during and immediately following the Civil War. It is an ever-present and potent force; but the old method of kidnaping people and shipping them to Colonial America is now replaced by more genteel and less direct methods.

The presence of friends and relatives in this country is another cause of immigration. It is estimated that at least one-third of the total number of immigrants is assisted by friends. Of the 751,786 immigrants admitted in the fiscal year ending June 30, 1909, over 228,000 stated that their passage was paid by relatives or others. Of course, this factor is peculiarly effective in times of prosperity. On the other hand, during an era of depression intending immigrants will be discouraged by their over-sea friends. Before the passage of the acts of 1875, 1882, and 1891, foreign governments, and particularly local authorities, were often guilty of dumping members of the delinquent, dependent, and defective classes upon our shores.

Changes in the Nationality of Immigrants. Before 1880 immigration to the United States was confined chiefly to the countries of north-western Europe. Great Britain, Ireland, and Germany furnished a large percentage of the total influx. Southern and south-eastern Europe sent few immigrants

[1] Report of Commissioner-General for 1909, p. 112.

previous to the opening of the decade of the eighties. The people coming before 1880 were not dissimilar to the early American colonists. The early immigrants were accustomed to a representative form of government, they were Protestants, they were skilled artisans or progressive farmers of the thrifty, self-reliant type, and finally they were of Teutonic origin.

Since 1880 the tide of immigration has begun to flow from southern and south-eastern Europe, bringing to our shores men and women of very different characteristics and possibilities. The typical immigrants of the last two decades are accustomed to a modified form of autocratic government, they adhere to the Roman Catholic faith, they are unskilled artisans or primitive agriculturalists not far removed from serfdom, and they are not self-reliant, but accustomed to blindly obey those in authority. In 1904 an officer of the Bureau of Immigration who had been conducting an investigation in Europe presented the situation in a nutshell. "The average emigrant of today is sadly lacking in that courage, intelligence, and initiative which characterized the European people who settled in the Western States in the eighties." During the decade 1851–1860 Germany, Great Britain, and Ireland furnished 88 per cent. of the total immigration, while Austria-Hungary, Italy, Russia, and Poland sent only four-tenths of one per cent. During the decade 1881–1890, the percentages were 55.6 and 17.6 respectively. Then the balance turned. Free land was disappearing; and our famous westward moving frontier line had vanished. The days of the pioneer and the backwoods farmer had become historic rather than actual. Centralized and subdivided industry — railway, mine, and factory — were calling for the unskilled and docile peasant worker of southern Europe. During the decade 1891–1900 the three countries of northern Europe only sent 31.6 per cent. of the total, while Austria-Hungary,

Italy, Russia, and Poland furnished slightly more than one-half of the entire stream. In 1909 the figures are approximately 13 and 63 per cent. respectively.

The warp and woof of American civilization is inevitably modified by such a striking change in the character of the immigration into this country. It presages far-reaching modifications in our industrial, political, and social fabric. On the other hand, the changing nature of the stream of immigration is in no small measure the inevitable result of the important industrial transformations which have taken place since the outbreak of the Civil War. Our complex, subdivided, and routinized industrial mechanism provides positions for the man without initiative, for the "beaten men from beaten races." The small shop and the farm of the ante-trust days could not utilize the men who work only according to orders given by the foreman or the overseer. Modern economic progress has made a place for the man from southern Europe; on the other hand, his presence and the ease with which immigration can be stimulated, has hastened the development of the complex, large-scale industry with its minute subdivision of labor. The presence in America of large numbers of men and women from southern Europe is both a cause and an effect of the far-reaching industrial and social changes of recent decades.

Early Opposition to Immigration. Opposition to immigration is by no means of recent origin. It has not developed solely because of the recent influx of the men from southern Europe and Asia. The debates in the Constitutional Convention of 1787 disclose some fear of the political influence of the foreign settler. The constitution specifies that no person may be a member of the House of Representatives who has not been a citizen of the United States for seven years; or a senator without a citizenship extending over a period of nine years. Still more clearly is the distrust of the

foreigner expressed in the clause which debars foreign-born citizens from the office of President. Washington did not favor immigration; and Jefferson wished to stop all immigration. During the administration of John Adams a law was passed requiring a residence of fourteen years before naturalization. This severe requirement was removed under the following administration. The alien and sedition laws, also passed under Adams' administration, bear further testimony to the hatred of the federalists for the alien. Gouverneur Morris did not believe that a man could become firmly attached to an adopted country. The Hartford Convention in 1814 desired to make every person thereafter naturalized ineligible to hold any civil office under the federal government. The Convention held that the population of the United States was then "amply sufficient to render this nation in due time sufficiently great and powerful." This early feeling of opposition to the influx of foreign elements appears to have been due to an anticipation of political dangers. It was felt that the newly organized republican institutions might be undermined and destroyed by the votes and influence of people from monarchical Europe.

With the increase of immigration which came in the thirties, nativistic sentiment grew rapidly. Ireland and Germany contributed a large percentage of the immigration of the thirties. In 1836 the number of immigrants from Ireland was 30,578 and from Germany, 20,707; these two countries sent 51,285 out of a total of 76,242 immigrants. Racial and religious differences generated antagonism between the newcomers and those already here. It was also asserted that England was "shoveling" her paupers upon American cities. In 1832 Seth Luther, a labor agitator, declared that American manufacturers were sending agents to Europe in order to induce working people to come to this country so as to increase the competition for jobs and thus lower the scale of wages. In

the panic year of 1837 the Native American Association was organized on a political basis in the city of Washington.[1]

The forties and early fifties brought large numbers of Roman Catholic Irish and German liberals to our shore. Violent attacks upon Catholics and Catholic churches occurred. "Native American" Congressmen were elected. A national convention of Native Americans was held. Delegates from nine states were present. After 1848 many of the Germans who came to this country did not immediately seek naturalization. This fanned the flames. A period of rabid Americanism followed; and "manifest destiny" became a fetish. The superiority of the American and of American institutions was universally believed.

Daniel Webster's defiant note to Austria is symptomatic of the hysterical and self-satisfied feeling of the nation. "The power of this republic at the present moment is spread over a region one of the richest and most fertile on the globe, and of an extent in comparison with which the possessions of the House of Hapsburg are but a patch on the earth's surface." "Democratic individualism" was in the saddle. Emerson and Thoreau were the philosophical mouthpieces of the era. In 1852 the Know-Nothing or American party came into prominence. This spectacular organization began its rocket-like career as a secret society. The purpose of the Know-Nothing party seems to have been the exclusion of foreigners and Roman Catholics from all national, state, and local offices, and the extension of the period of residence before naturalization. It was urged that immigration was increasing political corruption, and that the immigrants were lowering the moral standards of the American people. Southern members of the Know-Nothing party declared that immigration was enabling the North to gain upon the South in influence in the halls of Congress. The

[1] Franklin, *Naturalization in the United States*, p. 191.

slavery question was not unrelated to the rise of Know-Nothingism in the South. Political and religious factors were ever placed in the foreground during the Native American agitation. But it is probable that lurking in the background may be found the fear of the foreigner as an industrial competitor. Mr. Hall remarks: "It is probable that the Know-Nothing movement was not purely the result of solicitude for the moral welfare of the country or the apprehension for permanence of religious liberty.[1]" As the slavery agitation grew more and more furious and the movement toward disunion became strong, the Know-Nothing party disintegrated and disappeared.

With the opening of the Civil War the pendulum of public opinion suddenly swung to the opposite extreme. The army was diverting men from productive industry; and labor saving devices were multiplied. Women, apprentices, unskilled workers, Negroes, and immigrants were demanded in industry. By 1864, less than a decade after Know-Nothingism was at its height, immigrants were welcomed by all classes except the wage earners. In that year Congress passed an act to encourage immigration. This act was passed as a war measure and was not utilized after the close of the war. Immigration was also stimulated during the war period by the high nominal wages, by a depression in certain European countries, and by the artificial encouragement of immigration by American interests and by the American government. The double need of workers and soldiers caused the hatred of immigrants to be transmuted into desire for their presence. "Few instances of such a rapid and complete transformation in public sentiment can be cited in the whole history of the country."[2] The labor interests naturally opposed the stimulation of immigration, because it

[1] *Immigration*, p. 209.

[2] Fite, *Social and Industrial Conditions during the Civil War*, p. 195.

would tend to keep down wages and to reduce the standard of living. But the voice of the imperfectly organized workers was drowned by the insistent demand of other classes in the alleged interest of the general welfare and of industrial progress. Industrial necessity brushed aside racial and religious antagonism.

Immigration Problems. The important problems centering around immigration may best be considered from at least three somewhat interrelated viewpoints:—economic, political, and racial. A fourth viewpoint is frequently presented; to this may be given the designation, humanitarian or sentimental. These viewpoints must now be considered in some detail.

1. *Economic.* In discussing the economic problems connected with immigration, we may look at the matter from the side of production or from the side of distribution. (*a*) *Production.* The first question which appears under this head naturally is: Do we need a further supply of wage earners in this country? The immigrant has done much of the rough and hard work of recent decades. He has built the roadbeds of our railways, mined our coal and iron, unloaded our vessels, and cleaned our streets. The recent immigrant has performed the crude manual labor necessary for the upbuilding of big industrial plants and huge transportation systems. His services in developing the resources of the nation have been extremely important. Many industries would be almost depleted if divested of all wage earners of foreign birth and of those born on American soil but of foreign-born parents. If the foreign born and the native born of foreign parents were removed from our large cities, the latter would shrink to approximately one-third of their present size.[1] In 1900 Chicago would have lost nearly four-fifths of her population through an exodus of the foreign born and the native born of foreign parents.

[1] Rossiter, *Review of Reviews.* March, 1907.

On the other hand, there is at any and all times a large number of wage earners out of employment. The statement is frequently made that large-scale industry requires a large floating and unemployed labor force. Immigration undoubtedly adds to this number. In periods of prosperity this floating mass of the unemployed is partially absorbed; in times of depression the amount often becomes considerable. The State of Massachusetts has compiled fairly accurate statistics of unemployment among the organized workers of the state. In the quarter ending March 31, 1908, the percentage of idle members of the labor organizations reporting to the Bureau of Statistics was 17.9 per cent. Two years later, in the corresponding quarter, the percentage was 7.06.[1] The first figure represented conditions during a period of depression; the second one of average business activity. Among the unorganized workers no accurate figures are obtainable; but it is reasonable to assume that the percentage of unemployment is somewhat larger than in the ranks of organized labor.

Many seasonal industries frequently are unable to obtain sufficient workers during the rush period of the year. But even when viewed solely from the standpoint of production, it may with propriety be asked: Is the best remedy increasing the labor supply or is it the dovetailing of industries so as to spread the demand more equally over the entire year? Psychologists and sociologists assert that irregular working habits are demoralizing to the workers. In so far as excessive immigration accentuates the evil of fluctuation in employment in a given year or series of years, it has an injurious influence upon production.

A substitute for labor, particularly of the unskilled type, is found in improved machinery. Wage earners having a low standard of living and who are willing to accept low wages

[1] *Labor Bulletin.* No. 72, May, 1910.

tend to delay the introduction of improved machinery to perform simple and routine tasks. A sufficient supply of wage earners eager to accept low wages for shoveling coal will delay the introduction of coal unloading devices in the docks of our cities. Any change which diminishes the supply of labor and tends to raise wages will stimulate the invention of labor saving devices. Child labor, woman labor, and the immigration of unskilled and low-standard-of-living workers tend to delay the introduction of improved machinery. It is frequently urged that, without the low-standard-of-living immigrant who is willing to work for low wages, many of the less productive resources would remain unexploited. Such a view overlooks the possibility of utilizing improved machinery in the absence of a mass of unskilled labor. Certainly the day is past when the development of the resources of a country is more dependent upon the presence of a mass of cheap and unskilled labor than it is upon the utilization of the results of scientific research and mechanical ingenuity. Cheap labor retards rather than accelerates industrial progress.

Immigration has, however, increased the minuteness of the subdivision of labor. The incentive to subdivision of labor is rather a diminution of the wage bill than an increase in the total amount produced. The presence of unskilled workers willing to accept low wages enables the employer to split up what has been a skilled or semi-skilled operation into perhaps three or four operations. Only a fraction of the original operation remains in the hands of the skilled operative; the remaining portions are passed over to the unskilled worker. Thus, the total price paid for a given complex operation or job may be considerably reduced. Immigration has hastened and increased subdivision of labor. The microscopic division of labor in the Chicago meat packing plants is, in no small measure, due to the influx of the immigrant

from southern Europe. It may seem almost paradoxical to affirm that immigration, since it furnishes a supply of unskilled labor, tends to increase subdivision of labor, and also that it tends to delay the introduction of labor saving devices. Referring again to the meat packing industry, where immigration has produced such a notable effect in increasing the subdivision of labor, a cessation of the influx of immigrants — men, women, and children — cutting off an important source of labor supply, would undoubtedly cause many simple and routine tasks now performed by hand to be performed by machinery. While immigration does tend to increase subdivision of labor and thus produces favorable conditions for the invention of labor saving devices, it at the same time also tends to delay the introduction of such appliances.

The value of the immigrant from the standpoint of production depends not only upon the need of more skilled and unskilled wage earners, but also upon the distribution of the immigrants. Can the immigrant be sent where he is needed? The question of the distribution of immigrants has attracted much attention in recent decades. Many writers have pointed out that the immigrants of recent years collect in the cities where they are not needed. Segregation in the crowded quarters of our large cities has dangerous political and social, as well as economic, evils. Segregation of the incoming horde from Europe creates a little Italy, a little Russia, and a little Servia in the heart of more than one great American city. As a consequence the inhabitants of these sections of our cities know little of American life, ideals, and standards of living. Problems connected with charity, public and private sanitation, housing, sweat shops, unemployment, education, religious and political training, and the maintenance of order are rendered complex and difficult of solution.

The congestion of immigrants in the cities is accompanied, it is often asserted, by scarcity of labor in the agricultural

districts. Many farms are not worked to the best advantage or to their fullest capacity because of the lack of workers. The New York Immigration Commission, after a study of the immigration statistics for the seven years 1902 to 1908, inclusive, found that 1,043,492 immigrants had been farmers in their home country; but only a small percentage of the total became farmers in their adopted country. The Commissioner of Immigration in his report for 1903 pointed to the cities as "the congested places in the industrial body which check the free circulation of labor." Two years later the Commissioner was more optimistic. The aliens, he said, seemed to be somewhat better distributed than in former years. The rush to the large cities was, in his opinion, checked. But again, in the 1908 report, it was held that the establishment of a division to encourage proper distribution occurred none too soon.

The immigration act of 1907 contained a section providing for the establishment of a Division of Information. The purpose of this portion of the act has been interpreted by the Secretary of Commerce and Labor as follows: "first, to bring about a distribution of immigrants arriving in this country, thus preventing, as far as possible, the congestion in our larger Atlantic seaport cities that has attended the immigration of recent years; and second, to supply information to all of our workers, whether native, foreign born, or alien, so that they may be constantly advised in respect to every part of this country as to what kind of labor may be in demand, the conditions surrounding it, the rate of wages, and the cost of living in the respective localities."[1]

This division is to act as a sort of labor exchange to facilitate the work of bringing the unemployed worker and a job together. No far-reaching scheme of distribution is contemplated. It is worthy of notice that the Secretary expects

[1] *Report of the Commissioner-General of Immigration* (1908), p. 223.

this division to aid native as well as immigrant workingmen. Under proper regulation such legislation may be beneficial; but difficult problems will undoubtedly arise. For example, what should be the attitude of the division in case of a strike? Should this division direct workers to points where wages are low? Should this division merely state facts in cold figures, or should it transmute those figures into terms of cost of living, home and working conditions, and the like? The charge that the division has been furnishing strike breakers has been made.[1] The work of the division has been chiefly directed toward sending the unemployed into the farming districts.

Contrary to the general opinion and to oft-repeated assertions, Professor Willcox, after a careful study of immigration statistics, finds no evidence of a "disadvantageous or dangerous tendency toward cities" on the part of recent immigrants.[2] This careful student fails to find a stronger tendency on the part of immigrants toward urban life than that displayed by natives. The same economic motives and opportunities which have lured the farmer boy from the old homestead impel the immigrant to remain in the city.

Granting, however, that there is undue crowding and congestion in our cities, the question arises: With unrestricted immigration, will distribution go far toward minimizing the evils of city congestion and the difficulties associated with it? Certainly the distribution of our slum population throughout the rural districts will avail little from the standpoint of production, unless the recent immigrants are fitted to carry on agriculture according to American methods. The man from southern Europe is not well qualified to go into the undeveloped portions of the United States. He is by nature and by training unfitted for work requiring initiative, foresight, and

[1] Report for 1909, pp. 232–233.

[2] *Quarterly Journal of Economics*, August, 1906. For a criticism of this article, see Fairchild in *The Yale Review*, November, 1907.

hard and prolonged physical endeavor. Again, the demand for labor in the agricultural districts is, in a large measure, seasonal. Workers cannot be expected to go to some distant rural district when work is only offered for a portion of the year. Positions as harvest hands are not particularly inviting. Wholesale distribution of immigrants in rural districts would cause the growth of rural colonies of foreigners. Certain of the political, social, and economic dangers of city segregation would inevitably appear. To relieve the pressure in the cities by distribution would cause increased migration of the redundant population of Europe to our shores to fill the places made vacant by those removed to the rural districts. "Just as we have already seen that the tide of immigration rises with a period of prosperity in America, so would it rise with agricultural distribution of immigrants. Both are simply more openings for employment and the knowledge of such opportunities is promptly carried to the waiting multitudes abroad."[1]

Transportation companies have been eager to encourage the growth of sentiment in favor of distribution of immigrants. Distribution means an increase in railway and steamboat fares. Many humanitarians have espoused various schemes for the distribution of immigrants. Another example is thus furnished of a union between sordid and humanitarian interests. "The proposition of federal distribution of immigrants is merely a clever illusion kept up to lead Congress astray from the restriction of immigration."[2] The problems of city congestion, the sweat-shop, unemployment, or improper distribution of the labor force of the country are not to be cured by restricting, distributing, or even prohibiting immigration. These measures may, however, alleviate some of the evils.

[1] Commons, *Races and Immigrants*, p. 228.

[2] Commons, *ibid.*, p. 230.

Immigrants bring with them considerable sums of money, but they also send back large sums to the home country. Those who return after living for a period of years in this country usually take with them more than they brought. The amount of money shown by immigrants during the fiscal year of 1909 was $17,331,828. Out of a total immigration of 751,786 over one-half, or 482,859, brought less than $50 apiece. This sum is less than the total amount of money actually brought into the country. The immigrants do not always disclose the total amount carried by them; and much money is sent ahead through banking institutions. In 1906 over 400,000 money orders were sent to Italy. The total amount of the orders was in round numbers $16,400,000.[1] In the single year of 1906 money orders were sent to one European country which nearly equaled the entire amount of money shown by all the immigrants of the fiscal year of 1909. During the first three weeks of January, 1911, the daily average of money orders sent from Kalamazoo, Michigan, to Poland, was $133.98. One rough estimate fixes the total amount of money sent abroad by immigrants during a year of ordinary prosperity at $200,000,000.

The economic value of the immigrant himself ought not to be overlooked.[2] The average immigrant comes here full-grown. The expense of bringing the individual to manhood or womanhood has fallen upon the home country. The expense of "bringing up" an individual is, however, no accurate or adequate measure of his value to his adopted country. Efficiency and character are more important in valuing the economic worth of a man. But the nation receiving a full-grown immigrant is relieved of certain expenses involved in developing the young. Any gain of this sort is

[1] Taylor, *Charities and the Commons*. May 4, 1907, pp. 171–172.

[2] This point is discussed at length in Smith's *Emigration and Immigration*, pp. 102–122.

discounted in a large measure by the social and economic adjustments incidental to immigration, — unemployment, increase in pauperism, disease, and delinquency.

(*b*) *Distribution.* From the standpoint of the nation as a unit, and particularly from that of the wage earners of the country, the vital economic problems in connection with immigration relate, not to production, but to distribution, — to its influence upon wages and the standard of living of the wage earning classes. The shifting of the chief sources of immigration from northern to southern Europe brought the competition between standards of living into the foreground. The optimistic view is well presented by President Hadley. According to this conservative writer immigration has been a cause of the uplift of the native and of the immigrant of preceding decades. The native workers have been compelled "to rise or die." John Mitchell, speaking for organized labor, voices an entirely different sentiment: "The American people should not sacrifice the future of the working classes in order to improve the conditions of the inhabitants of Europe, and it is even questionable whether an unregulated immigration would improve the conditions of Europe and Asia, although it is certain that it would degrade and injure the conditions of labor in this country." These views, which seem to be widely divergent, may be partially, but not completely, harmonized when it is noticed that Mr. Hadley's eyes are focused upon the past while Mr. Mitchell is dealing with the decade 1900 to 1909. The investigations of the Immigration Commission appointed in 1907 support Mr. Mitchell's contention. Their investigations show "an oversupply of unskilled labor in basic industries to an extent which indicates an oversupply of unskilled labor in industries of the country as a whole."

President Hadley evidently saw only one phase of the matter. Many natives were forced up in the scale, but many

others less fortunate were forced out to become the wreckage of humanity; and still others were obliged to lower their standard of living to meet that of the newly arrived immigrant. And how, as a rule, did the native American rise? By delaying marriage and by reducing the average size of families — race suicide — or through the instrumentality of some special privilege which enables him to exploit the newcomers. President Walker's contention that immigration has not increased the population but merely replaced the native with foreign stock, is oft-quoted and well known.

Granting, however, that President Hadley's argument is in some degree tenable if applied to earlier decades, it must of necessity be discarded when applied to the present. Low standards of living on the part of unskilled workers menace the higher standards of the skilled workers. The skilled man is recognizing this fact; and he is found frequently joining hands with the unskilled to right the grievances of the latter. As bad money drives out the good, so does cheap labor tend to drive out those demanding a higher standard of living. It is apparently a case of the survival of the unfit.

In the cotton mills, in the meat packing industry, in the coal mines, in the clothing industry, and elsewhere, one nationality has been displaced by another satisfied with a lower standard of living. In turn the second has been displaced by a third, and so on. Wave after wave of immigrants may be traced in the history of one of these industries. "As rapidly as a race rises in the scale of living, and through organization begins to demand higher wages and resist the pressure of long hours and over-exertion, the employers substitute another race and the process is repeated. Each race comes from a country lower in the scale than that of the preceding, until finally the ends of the earth have been ransacked in the search for low standards of living combined with patient industriousness."[1]

[1] Commons, p. 152.

Race prejudice is at bottom largely due to economic friction and the competition of standards of living. Cut-throat competition between different nationalities causes wages to be reduced, or the worker to be speeded up, or both. Without efficient organization among the workers, which is difficult in the face of hordes of incoming low-grade industrial workers, wages in the unskilled occupations drop to the minimum of subsistence. This minimum is higher than that of Europe because of the greater exertion on the part of the workers, required by the American employer; and because compulsory education laws and laws prohibiting child labor in many states compel the immigrant to support his children until they are fourteen years of age.

Unions of the unskilled or of the semi-skilled, particularly in the eastern part of the United States, have severely felt the disintegrating influence of immigration. There are some reasons, however, for believing that in the future European immigration will not offer such a serious obstacle to organizations as it has in the past. Today, when the Italian or the Slav arrives, he meets his countrymen. If the standard of living of the latter has been raised, the newcomer can be acted upon much more easily and quickly than was the case when Italian and Slavic immigration began. Labor unions contain many of the immigrant's countrymen, and they welcome his entrance into the union fold. Many recent examples of strong and coherent organization among the unskilled and the recent immigrants indicate that the newcomer readily learns to look to some form of labor organization for protection and assistance.

Immigration to this country has a reflex influence which tends to improve conditions in the country from which the immigrant comes. Many return to the home country with new ideals and methods, and with sums of money which enable them to live better than formerly. A new standard

of living is fixed by the returning peasant and the others see a new social ideal and are stirred into unwonted life and activity. The money sent back to relatives remaining at home also has a potent effect. Many towns in southern Italy have improved perceptibly. Better homes are built, and the old rigid class demarcations tend to break down. Squalor gives way to something better. In due time a change of this sort will improve the character of the average immigrant. In the future it will be immigration from India, China, and Japan, rather than from Europe, which will menace the wages and standards of living of the American workman.

Restriction of immigration has been called the laborer's protective tariff. Immigration means cheap labor. In the absence of laws adequately restricting immigration, organization of the immigrant wage earners is a matter of self-defense on the part of the wage earners already within the union. If organized labor is able to increase wages and to shorten the length of the working day, it is not unlikely that an insistent demand will arise from the employing class for a repeal of the present contract labor law. The Southern states, eager for workers, are anxious to offer inducements to prospective immigrants. The Attorney-General has ruled however, "that, if a representative of a state or territory induces an alien to immigrate by holding out to him individually a promise of employment, such alien is inadmissible."[1] States and territories may legally advertise, setting forth the opportunities offered by them. In November, 1906, 473 Belgians came to South Carolina in response to an advertisement made in Europe by the State Commissioner of Immigration. The demand for cheap labor caused the introduction of negro slaves and of indentured servants into the country; and likewise much of our recent immigration is due to the same cause.

[1] *Report of the Commissioner-General of Immigration*, 1908, p. 133.

2. *Political Problems.* Immigration caused by the demand for cheap labor, and leading to a conglomeration of races and nationalities and to a gradual, stiffening stratification of classes, has been an important factor in complicating politics in a nominally democratic country. Political corruption is not solely the product of the influx of immigrants unaccustomed to democracy or liberalism; but the successive waves of immigration have prepared a fertile soil for the cultivation of corrupt practices which eat out the vitals of democracy and promise to leave it a hollow mockery which conceals a powerful plutocracy. Mr. Steffens found that political corruption was rampant in the rural districts of Rhode Island where few of the recent immigrants make their homes; and Adams County, Ohio, made notorious because a large percentage of the voters were found guilty of selling their votes, contains few recent immigrants. Corruption in politics is primarily due to the interference of private economic interests with public business; but wide differentiation of interests and races increases the opportunities for such interferences. The political machine, directed by the boss, maintains and strengthens its power and influence by carefully and skilfully balancing nationalities and interests against each other. The colorless man possessing a flexible backbone and no important and well defined opinions of his own comes to the front; and the colorless man is the visible tool of the boss. The latter in turn is controlled by men desiring special privileges and favorable legislation. "Representative democracy becomes bossocracy in the service of plutocracy;" — and immigration has made the transition easy although difficult to observe.

A strain is put upon democratic institutions, because in the first place, many of the newcomers have developed under a paternalistic form of government and are not prepared to readily adopt and conserve the institutions and governmental ideals of English speaking people. Further difficulties arise

because a representative is supposed to properly and adequately represent all the people in a given ward or legislative district. In a given district are frequently found employers and employees, landlords and tenants, unionists and union-smashers, American, German, and Slav, Protestant, Roman Catholic, and Jew, Negro and Caucasian. Not even the most agile politician can hope to represent the divergent interests and ideals of the people in the ordinary legislative district or ward.

The introduction of home rule for cities has been delayed by the presence in our cities of large foreign populations. Such matters as those connected with the enforcement of laws and with the prohibition of the liquor traffic are the subjects of fierce controversy because of the diverse moral standards of people of different nationalities and racial experiences living within a given state or city. Economic reforms in cities are often delayed because the question of law enforcement can be utilized to divert attention from vital economic questions affecting the welfare of the great majority of the population. Unfortunately, the humanitarian element in the community — those who are interested in improving the moral tone and the physical well-being of the community, and who are fighting the saloon, factory evils, the white slave traffic, and the like — is often forced into alignment with the interests which are bitterly opposed to progressive economic programs that strike at special privileges.[1]

On the other hand, the immigrant is usually accustomed to some form of social organization. He is not as individualistic as is the typical native American. He can be organized with others into labor unions; and when the unskilled immigrants from a variety of birthplaces are thus associated, the resulting union is usually strong, coherent, and easily directed by capable and enthusiastic leaders. The McKees Rocks strike

[1] See Commons, Chapter VIII.

furnishes an excellent illustration of the solidarity of the unskilled when organized. Is it unreasonable to assume that it will not prove an insurmountable task to organize these men politically in such a way as to break down the power of the boss who has built his machine upon interest and racial differences?

3. *Racial Problems.* The inordinate self-satisfaction of the average individual of Anglo-Saxon extraction has led to a gross and persistent exaggeration of the danger of racial and national deterioration as a consequence of the heterogeneity of the immigration of recent decades. It is urged that a dangerously large percentage of immigrants are weaklings, and diseased and degenerate persons; but we are annually producing large numbers of such persons because of over-driving, long working hours, insanitary conditions in homes and factories, over-crowding, the consumption of improper and adulterated food, and the spread of venereal diseases. "Race suicide" is alleged to be almost solely the result of immigration; but the birth-rate has also declined in New Zealand and Australia, countries little troubled by immigration.[1] The fear is frequently expressed that deterioration will be the inevitable effect of the racial mixture incidental to immigration. While the mixture of races widely differing from each other may be a menace, exceptional racial purity is not conducive of a high type of civilization. "Modern civilized nations are formed, developed, and become world-powers regardless of their racial composition."[2] In fact, with the development of large cities, huge industrial establishments, systematized industry, and social interdependence, it is essential that the crude aggressive individualism of the Anglo-Saxon frontiersman be toned down. The assimilation of the

[1] See article by the writer in *The Arena*, Dec., 1906.

[2] Fishberg, *Report of the Conference of Charities and Correction*, 1906, p. 304. See also Finot, *Race Prejudices*.

culture of the immigrants from southern Europe may modify American traits and characteristics in a very desirable manner.[1]

The important racial and political problems connected with immigration center around the Americanization of the immigrant. Americanization does not necessarily mean amalgamation but rather the development of a fair degree of unanimity of thought and action. While the immigrant is subjected to various forces which tend to "Americanize" him, the fact must not be overlooked that each new racial or national ingredient contributes its mite to modify American life and ideals. The resultant Americanism is not the puritanical Americanism of tradition. Americanism is then a changing concept which bears the impress of racial mixture and economic transformation. It has been pointed out that in New York City the Jews practically control the theater and music hall business, own about one-half of the newspapers, compose a considerable percentage of the public school teachers, and are very prominent in banking and mercantile circles. Surely a people that have much to do with directing the press, the school system, and the amusements of a city, exercise a powerful molding influence upon the community.

The two important Americanizing institutions are the public school system and the labor organizations. The former reaches the child of the immigrant at the plastic period in the life of the young, and indirectly it modifies the adult immigrant himself. The public school is a democratic institution. Children from various classes and nationalities meet in the classroom and mingle together on the playground upon a plane of equality. The hostility between nationalities, which is nurtured through ignorance and lack of contact, is reduced. The school gives its heterogeneous mass of pupils certain

[1] See the writer's *Education and Industrial Evolution*, pp. 57–59.

common interests. The English language is taught to all pupils; this is doubtless an essential for Americanization. The public school also instils into the immigrant child a knowledge of American history and of our national traditions. Industrial training, domestic science, and the experience upon the playground make the boys and girls more efficient and healthy young people. An opportunity is thus afforded for progress toward the higher standards of living.

The union touches the adult. It uses the potent bread and butter argument: "Join the union and your wages will be raised, your working day shortened, and you will be given better treatment." Such is the oft-repeated story poured into the ears of the newcomer. The union aims to create discontent with low wages and low standards of living, and Americanization can only come to the low-standard-of-living immigrant worker as his wages are increased and his standard of living raised. The union is only effective with industrial workers in cities and mining towns. The agriculturalists, the fruit venders, and many kinds of common labor are not as yet reached by the labor organization. The growing strength of industrial unionism indicates that the union is gaining in potency as an Americanizing influence.

How does the union Americanize the immigrant? An answer which has been given to this question may well be summarized. 1. The union teaches self-government. The immigrant learns to remedy grievances through the use of the ballot. He learns that he must obey officers elected by the membership of the union. 2. The union gives the immigrant the sense of a common cause and of a public interest. 3. Different nationalities are thrown into a common group, and they soon adopt a common way of thinking and acting. 4. Foreigners are thrown into intimate contact with those who have partially adopted American customs and ideals. The recent immigrant hastens to follow in their footsteps. 5. Unions

usually require members to be citizens of the United States, or to have declared their intention to become citizens. 6. It reduces the fear of the boss and introduces the idea of partial control of industry by the employee. 7. The union raises the wages of the immigrant, shortens his working day, and improves his working conditions. 8. It reduces the feeling of antagonism often existing between different nationalities.[1]

Immigration from southern Europe has increased the percentage of Catholic and Jewish immigrants. Some of the Eastern states which in the past stamped the North and the West with the form of local government, and with the religious ideals which are traditionally known as American, now find themselves becoming pr dominantly Roman Catholic. The industrial workers of the country are Catholic rather than Protestant. The organization and methods of the denominational churches tend to make these bodies inefficient Americanizing agents. Only recently have the Protestant denominations awakened to the gravity of the situation; and they are finding it difficult to throw aside the traditional and inherited methods which may have been efficient in a rural community of a few generations ago, but which are very inefficient in reaching the average industrial workers of our cities and towns. The social settlement, the home missionary societies, and the "institutional church" are reaching out for the aliens living in our industrial centers; but only after a radical modification in its methods can the average Protestant church hope to be an important influence in the Americanization of the immigrant.

4. *The Sentimental Argument.* The oldest and most familiar argument used in opposition to pleas of the wage earners for restrictive legislation is the sentimental or humanitarian. America, symbolized by the great statue in New

[1] Huebner, "The Americanization of the Immigrant," *The Annals of the American Academy.* May, 1906, pp. 204–205.

York harbor, must be the haven of refuge for the oppressed and the hopeless of all lands. Employers anxious to hire cheap labor as well as certain sentimental enthusiasts for democracy have waxed eloquent in favor of this sort of cosmopolitanism. When this argument is applied to the tariff question, however, the altruism of the employers suddenly vanishes in thin air; and it is often urged that a protective tariff will enable Americans to build up industries at the expense of the foreigner. Mr. Mitchell, presenting the wage earners' view, believed that unrestricted immigration for example from China would benefit that nation very little and would greatly injure America. "The creation of an outlet for a million or two million of Chinese immigrants each year would merely have the effect of increasing the birth-rate in that country, with the result that within a century a majority of the working people of this country would be Chinese, while the congestion in the Celestial Empire would be as great and as unrelieved as ever." This bald statement may overestimate the evil to this country and underestimate the benefit to China of unrestricted Chinese immigration; but to the careful student no appeal of the sentimental variety can entirely conceal the danger. The plea for restriction of immigration may be one of national or class selfishness; likewise the altruistic appeal to cosmopolitanism may be a cloak for selfishness on the part of another class. The wage earners fear that unrestricted immigration will reduce wages and lower their standards of living. The business interests believe that restricted immigration reduces profits.

The Reconstruction Program (1919) of the American Federation of Labor favored the prohibition of immigration for two years; and the 1919 convention of the Federation adopted a resolution demanding the prohibition of immigration "for a fixed number of years." The traditional policy of the socialists has been one of non-interference with emigration

and immigration. They have held that such movements were regulated by economic conditions. At the Socialist Congress held in Chicago in May, 1910, the majority of a committee appointed two years before to study the immigration problem reported in favor of the exclusion of Chinese, Japanese, Koreans, and Hindus because these were considered backward races, psychologically and economically. This report was not adopted, but it was favored by the conservative and constructive members. A substitute was adopted which reads in part as follows: "The Socialist party of the United States favors all legislative measures tending to prevent the immigration of strike breakers and contract laborers, and the mass importation of workers from foreign countries, brought about by the employing classes for the purpose of weakening the organization of American labor and of lowering the standard of life of the American workers." It was stated on the floor of the congress that Asiatic laborers cannot understand the principles of unionism or of socialism.

Legislation. The first general immigration law was not passed until 1882. Previous to the Civil War several acts were passed for the purpose of insuring to immigrants decent treatment and safety while crossing the ocean. Acts were passed in 1862, 1869, 1873, and 1875, dealing with coolie immigration from the Orient. With one exception, until 1882, the federal government left the control of immigration almost entirely in the hands of the seaboard states. This exception was the temporary act of 1864 passed as a war measure to encourage immigration. The general law of 1882 marks the first step toward definite federal control over immigration. This act provided for a head-tax of fifty cents and excluded certain undesirable classes of immigrants. The law, however, provided for coöperation between state and federal authorities. Other general acts were passed in 1891, 1893, 1903, 1907, and 1917. The office of Super-

intendent of Immigration, now denoted Commissioner-General of Immigration, was created under the act of 1891. Under pressure from the Knights of Labor and other labor organizations, Congress passed contract labor laws in 1885 and 1888. These acts aimed to prevent the importation of unskilled labor under contract to work for American firms. They have been strengthened by later legislation.

The aim of the recent immigration acts is the exclusion of all aliens who are mentally, morally, or physically deficient. Under the present law, illiterates, convicts, persons possessing physical and mental deformities, or afflicted with contagious diseases, beggars, vagrants, stowaways, persons suffering from chronic alcoholism, paupers, or those likely to become public charges, anarchists, and contract laborers are the chief excluded classes. Provision is made for careful inspection of immigrants and for detention of those suspected of belonging to one of the excluded classes. A head-tax of $8.00 is exacted from each immigrant. Steamship companies are held liable for illegally bringing in immigrants. Rejected immigrants must be returned at the expense of the company bringing them to our shores; in addition a fine may be assessed. The federal authorities may deport an alien becoming a public charge within five years from the date of entry. Encouragement or solicitation of immigrants by steamship companies is prohibited. The illiteracy test is a restrictive rather than a selective measure.

The federal government controls the admission or rejection of the immigrant; but after he is here, the responsibility for his fair treatment, welfare, and betterment rests upon the state governments. The formation of good citizens and efficient workers out of the immigrants and their children is a task which the state government must shoulder. The real immigration problem is a state rather than a federal problem.

Oriental Immigration. The problems connected with Ori-

ental immigration present phases very similar to the Negro problem of the South and of many Northern cities. Physical and psychological differences between the American and the Asiatic make assimilation of the Oriental immigrants practically impossible, and, therefore, multiply the political and racial complications which have accompanied European immigration. Any considerable influx of Chinese, Japanese, Koreans, or Hindus would evolve a yellow problem not unlike the Negro problem. From the viewpoint of the employer seeking cheap, unskilled, and unambitious workers, the Chinese coolie is a desirable type of employee. The Chinese are "patient, docile, industrious, and above all 'honest' in the business sense that they keep their contracts." A Chinese contractor delivers the desired number of men, they board and lodge themselves, and quietly disappear when the work is done. The purchase of Chinese labor is like the purchase of a consignment of merchandise. "This elimination of the human element reduces the labor problem to something the employer can understand. The Chinese labor-machine, from his standpoint, is perfect."[1] The Japanese is more aggressive and more ambitious. He does not recognize that a contract implies an obligation on his part to live up to its terms.

These qualities of the Chinese coolie make him a dangerous menace to the organized and unorganized American wage earner, struggling to maintain a comparatively high standard of living. And if the wage earner is the corner-stone of American democracy, Oriental immigration on a large scale, whether Chinese, Japanese, Korean, or Hindu, will place American institutions in grave danger of disintegration. Good citizens are not evolved out of docile, unthinking, and machine-like masses of wage earners such as the Chinese coolies, nor out of the alert, ambitious, but practically unassimilable Japanese.

[1] Rowell, "Chinese and Japanese Immigrants," *Annals of the American Academy*. Vol. 34 : 224.

The cry of danger is not new; and we ought not to be carried off our feet by a wave of prejudice against hard-working Orientals. Before 1855 there was much opposition to the Germans and the Irish; but these nationalities have proven to be good elements in our population. Spain banished the Moors, and France drove out the Huguenots. In each instance the aggressors were injured. The problem of Oriental immigration should be studied carefully. Our future relations with the East are involved. The policy of excluding all Orientals ought not to be adopted in the heat of passion. The danger to the wage earner is, however, real; his status in the land of his nativity is at stake. A flow of immigration from the vast sea of humanity found in the Orient would quickly submerge the white wage earner of the Pacific coast.

The above statement is not unsupported by concrete evidence. Hawaii furnishes a social laboratory in which to study the effect of Oriental immigration. The labor force of Hawaii is almost completely Orientalized. At first, competition was felt only in the unskilled occupations, but gradually it is coming to be severely felt in the skilled trades and in mercantile pursuits. The building trades, for example, have been invaded by the Oriental workers. In 1900 practically one-half of all the males engaged in domestic and personal service, trade and transportation, manufacture and mechanical pursuits were Chinese and Japanese. Nine-tenths of those engaged in agricultural pursuits were of these two nationalities.[1] The agitation in California in the seventies against the Chinese immigrant, and the recent agitation against the Japanese immigrant, show clearly that the people of California will not submit gracefully to "Orientalization," such as has occurred in Hawaii.

The Chinese exclusion act, passed in 1882, suspended the

[1] See *Bulletin of the Bureau of Labor*. No. 66.

immigration of all Chinese skilled and unskilled laborers. This legislation was to extend over a period of ten years; but the act has been strengthened and renewed several times. Finally, in 1902, the exclusion acts were given an indefinite extension of life. Alien Chinese are also prohibited from emigrating from our insular possessions to the mainland. Chinese born in this country are considered to be "native sons," and are entitled to admission. The exclusion acts have proven very difficult of enforcement.

The treaty of 1894 with Japan provided that nothing in it should be construed to affect laws respecting the immigration of laborers "which are in force or which may hereafter be enacted in either of the two countries." Although the United States has not taken advantage of this clause in the treaty, this provision was distasteful to Japan because it seemed to sanction any possible form of exclusion act which the former might pass. The immigration act of 1907 authorized the President to exclude from continental United States any immigrants holding passports not specifically entitling them to enter this country. In March, 1907, the President exercised this power in regard to Japanese coming to this country from Mexico, Canada, and Hawaii; and, under a passport agreement of the same year, the Japanese government refuses to issue passports for laborers desiring to come to this country. A new treaty signed in 1911 omits all reference to the matter of Japanese immigration; but the Japanese government has officially declared that it will maintain the limitation and control over emigration which it has exercised since 1907. The treaty provisions, however, place the matter of restriction of Japanese immigration on the same plane as that from European countries. The Japanese government is also limiting the emigration of laborers to Hawaii. During the fiscal year ending June 30, 1908, 9,544 Japanese were admitted into continental United States, and 4,796 departed. In the

following fiscal year only 2,432 were admitted while 5,004 departed. In Hawaii the number of Japanese admitted declined from 8,694 in 1908 to 1,493 in 1909. In the fiscal year of 1918, 1,795 immigrant alien Chinese were admitted to the United States; and a larger number of emigrant aliens of that nationality left this country. In the same year, 10,213 immigrant alien Japanese came to our shores while only 1,583 emigrant alien Japanese departed. The law of 1917, by a "geographical delimitation" practically excludes all Orientals except Japanese; and the latter are in a large measure kept out by the "gentleman's agreement" which is still in force.

Conclusion. The chief benefits of immigration are: 1. It furnishes a supply of laborers. 2. Immigration hastens the introduction of division of labor and the resort to large-scale production. 3. The mingling of different races tends to dilute the extreme individuality of the Anglo-Saxon. The most notable evils of immigration may be summarized as follows: 1. It tends to reduce wages and to lead to the introduction of lower standards of living. 2. The balancing of nationality against nationality generates certain political evils. 3. Immigration tends to produce and to aggravate crises and cycles of over-production. 4. It tends to produce a sort of caste system in the United States. 5. It leads to a reduction of the native birth-rate, and causes race suicide. 6. Asiatic immigration stimulates race prejudice, and interferes with unanimity of feeling and action on the part of organized labor. The solidarity of the working class is endangered by the introduction of racial hatreds. 7. Immigration sometimes delays the introduction of improved machinery. The following points are worthy of consideration in connection with the immigration problem. (*a*) Is the erection of dikes to hold back the flood of immigration an evidence of national weakness? (*b*) Is it better to raise the standard of living in one

part of the world and let its influence spread by contact and imitation, or is it preferable to attempt to lift all at once and only a little way? (*c*) Too great differences in the character of peoples composing a mixed population tend to produce a caste system. (*d*) The change from the domestic to the factory system in Japan and China may temporarily increase the demand for an outlet for their surplus population. (*e*) Are the socialists playing into the hands of the employing class when they demand unrestricted immigration? (*f*) Certain representatives of the yellow race have asserted that the white race has practiced land grabbing on a colossal scale. They have called attention to a "white peril," to the closed shop policy of the white race.

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CHAPTER XIII

THE SWEATED INDUSTRIES

The sweated industries are survivals of the old form of domestic industry which preceded the factory system. There is no hard and fast line of demarcation between the sweated industries and those called factory industries on one hand or those termed arts and crafts shops on the other. The distinguishing characteristics usually found in a sweated industry are low wages, a long working day, insanitary workshops, and speeded-up workers; of these four characteristics the emphasis should be placed upon the first. The adjectives — low, long, insanitary, and speeded-up — are more or less indefinite, unstandardized, and changing. The conditions favorable to the development of sweated industries are found in large cities and their suburbs where it is easy to obtain immigrant, women, and children laborers, in industries in which inexpensive or no machinery is necessary, in businesses where the contract system is used, and in industries in which the demand for products is irregular, seasonal, or highly individualized. Other characteristics are minute subdivision of labor, the lack of organization among the workers, and the difficulty of adequate inspection. A sweated industry is essentially a "parasitic industry." It is an industry in which the wages paid and the conditions of work are such that wage earners and their families cannot be supported upon even a decent minimum scale of living. If all industries in the nation were sweated, "the entire nation would, generation by generation, steadily degrade in character and industrial

efficiency." The sweating system degrades the worker to the level of the brute or to that of the machine. The nation indirectly pays a bounty so that the parasitic industries may be maintained.

Sweated work is performed in two classes of workshops. The small shop managed by the contractor or sub-contractor in a tenement or dwelling house is the first type. The typical sweater's shop is small, badly lighted and ventilated, poorly equipped, and insanitary. Sweating is also found in the home. Individuals working with the assistance of the other members of the family in the living and sleeping rooms of the family make up the second type of sweated industries. The first form of sweating is being gradually pushed to the wall because of the encroachments of the factory, the breaking down of the contract system, the improvement of legislation in regard to sweatshops, and the work of labor organizations. Although public sentiment is opposed to its continuation, the second type of sweating is more persistent; and it is unfortunately stimulated by the development of some kinds of factory industry. Certain machine-made garments and other articles — factory products — are often sent out of the factory to the homes to be finished. Employers are thus able to reduce certain expenses in their plant, such as shop supervision, lighting, heating, rentals, and equipment. Home finishing is a cheap mode of production in the clothing industry; and the seasonal nature of the industry increases its advantage over factory finishing. "There are but a few manufacturers who make garments on a large scale that do not shift part of the burden of the cost of these items to the shoulders of their workers. A small number of them provide sufficient space in the shop for the finishers, to meet normal conditions at least, and only resort to home finishing during a rush period. The contractor, or the 'sweater,' as he is called, who makes up the bulk of the product in New York, seldom

or never makes such provision."[1] In this form of sweating the work of women and children who otherwise would not be employed in gainful industry is utilized. Much of the work is intermittent and is performed along with the ordinary household work. The wages paid are small; but in many cases the income derived by finishing garments at home merely supplements the regular family income. "But this low rate yields only starvation wages to those who have to depend upon it alone for their livelihood;" and the competition of those who are working for "pin-money" tends to keep the wages at "starvation" rates. The factory has snatched many industries out of the home, fundamentally changing the industrial character of the latter; it now returns to certain homes a specialized remnant of what was formerly a household occupation. But the conditions under which the special work is done are often such as to breed disease and degeneration among the workers.

Many employers are eager to promote this kind of home work in connection with the factory system. A speaker at the annual meeting of the Citizens' Industrial Association held in Battle Creek in 1907, stated that in his home town in southern Indiana many women did chair bottoming at home, receiving the assistance of their children. This delegate spoke in glowing terms of this mild form of sweating. He said that work in the home was preferable to sending children to the factory as they were under the care of the mother while at work. This plea resembles an old argument made three-quarters of a century ago against the public school, — namely, that it took the child out of the home and away from the care of the mother. The speaker at Battle Creek took for granted apparently the desirability of gainful industry on the part of the wives and young children of workingmen. The root argu-

[1] *Report on Conditions of Woman and Child Wage-earners in the United States.* Vol. 2 : 302.

ment undoubtedly was that this form of sweating involved the utilization of cheap labor.

Among the sweated industries carried on largely in homes and in which young children are frequently utilized are the manufacture of artificial flowers, sewing tapes in kid gloves, millinery work, making garters, shelling nuts, putting cords in pencils for souvenir cards, stringing beads, sewing men's neckties, covering buttons with braid, finishing leather post-cards, putting buttons on a card, finishing corset covers, and manufacturing false hair switches. Cigars and cigarettes are frequently manufactured under the conditions of a sweated industry; but the clothing industry is the most important of all sweated industries.

Sweating in the Clothing Industry. Four stages in the development of the clothing industry have been traced. The journeyman was a skilled mechanic who made the entire garment himself. The home shop with some division of labor followed. The third stage witnessed the introduction of the unique "task system" among the Jewish immigrants in New York City. The task system originated and continues in New York; it does not flourish elsewhere. The task system arose during the influx of Jewish immigrants between 1876 and 1882. In the task system a team of three, consisting of a machine operator, a baster, and a finisher, work together. For every three teams, two pressers and several girls to sew on pockets and buttons and to do a few other simple operations are employed. There is necessity for a nice adjustment within a team so that each member may complete his work so as to pass it on to the next one as soon as the latter is ready to receive it. A certain amount of work, called a "task," is supposed to be done in a day; but fierce competition has gradually increased the amount of the task until frequently, with the most strenuous endeavors, the task cannot be completed without working from twelve to fourteen hours

per day. The task system is a peculiarly undesirable form of the piece work system of wage payment. The Jewish workers, with their intense desire to accumulate and to be emancipated from hard work as wage earners, are peculiarly adapted to the task system. Again, the Jews are restless under the rigid routine and constant supervision of the factory; but the comparative freedom in the small shop under the task system is attractive to them.[1]

In the fourth stage in the evolution of the clothing industry is found the factory system. The factory is gaining upon the sweat-shop of the contractor. In time the factory may destroy the first form of sweating in the clothing industry. The contractor or sweater operating a small shop has flourished because (*a*) he has been able to utilize immigrant labor, and because (*b*) of the seasonal demand, the constantly changing styles, and the demand for tailor-made garments.

"The man best fitted to be a sweater is the man who is well acquainted with his neighbors, who is able to speak the language of several classes of immigrants, who can easily persuade his neighbors or their wives and children to work for him, and in this way can obtain the cheapest help."[2] The sweater takes advantage of the helplessness, the isolation, and the ignorance of the newly arrived immigrant who cannot speak English. The long working day and the conditions under which the sweat-shop worker is employed practically eliminate all opportunity for learning the English language and gaining a knowledge of American customs and standards of living. The sweater has been an important factor in causing and continuing segregation of nationalities within our large cities.

In recent years the demand for men's and women's ready-made clothing is increasing. Large department stores that formerly sold only a cheap grade of ready-made clothing are

[1] *Report of Industrial Commission.* Vol. 15 : 345–348.
[2] *Ibid.*, p. 320.

gradually stocking up with more expensive clothing, and are catering to a class of customers who formerly patronized only merchant tailors. This movement toward standardization in the clothing industry will aid the factories in overcoming the competition of the small shop. Overalls, army clothing, and cheaper garments which are not affected by changes in the fashion are made in factories which successfully compete with the small establishment. There is reason to believe that the clothing industry is following along the path pursued by the boot and shoe industry. The custom-made boot or shoe has been replaced by the factory-made and standardized product; and the tailor-made suit is slowly being replaced by the factory-made suit. The substitution of the factory for the small shop or sweat-shop will probably take place very slowly as long as the immigration of large numbers of unskilled workers continues. As has been indicated, the factory may utilize the home workers to finish certain articles, thus prolonging the existence of the second and more dangerous form of the sweated industry.

Wages in the Sweated Industries. The wages paid in the sweated industries are pitiably low, particularly when the work is done in the home. The hours of work are indefinite and irregular; and the quantity of work furnished from day to day often extremely variable. Many investigators have collected statistics.[1] In New York, in 1907, white roses, seven pieces per flower, were made in homes at six cents per gross; and cords were attached to souvenir pencils at forty cents per thousand. Stems were pasted on white silk leaves

[1] Van Kleeck, "Child Labor in New York City Tenements," *Charities and the Commons,* January 18, 1908; Butler, "Sweated work in Hudson County, New Jersey," *Ibid.*, December 21, 1907; MacLean, "The Sweat-shop in Summer," *American Journal of Sociology,* November, 1903; *Report of the Industrial Commission.* Vol. 15; *Preliminary Report of New York State Factory Investigating Commission* (1914); *Minimum Wage Commission* (Massachusetts, 1914) *Bulletin* No. 20.

at two cents per gross; and Windsor ties were turned and hemstitched at ten cents per dozen. In 1914, workers in the paper box industry in New York City were receiving about $6.00 per week for covering boxes with slips of paper. In Massachusetts, in 1914, nearly one-half of the workers in the wholesale and retail millinery industry were receiving less than $100.00 per year.

The Sweat-Shop and the Consumer. The workers in the sweat-shop are not the only persons whose health and efficiency are endangered by the insanitary conditions which usually obtain. Clothing, especially if made of wool, absorbs filth and disease germs readily during the process of manufacture; and it is very difficult to dislodge disease germs which have found lodgment in a garment. Garments made in homes infected with the germs of various diseases, such as tuberculosis, smallpox, scarlet fever, or measles, may carry the infection into the homes of purchasers, and thus endanger many lives. "One cannot quiet his conscience by announcing that he goes to high price clothiers for his garments, and so cannot come in contact with sweated goods; hence he is free from responsibility in the matter. Such soothing syrup may prove fatal in the end. In the first place, the mere fact of buying expensive clothing does not exempt one from the danger of tenement-house goods. The tailor who charges fancy prices is quite liable to let his work out by contract, and the original contractor, though not a sweater himself, may sublet the work to one who is; and so one's hundred-dollar coat may repose on the bed of a scarlet-fever patient before it is delivered ready for use. Costliness alone is no guarantee that a garment is made under decent conditions." [1] Indeed, many cheap garments such as overalls are usually made in factories where the danger of infection is slight. The consumer is vitally interested in the abolition of the sweat-shop.

[1] MacLean, *American Journal of Sociology.* Vol. 9: 301.

Legislation. Twelve states — Connecticut, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin — have passed laws regulating manufacture in tenements and dwelling houses. These acts regulating the conditions of manufacture are held to constitute a reasonable and desirable extension of the police power of the state. The Maryland Court of Appeals in sustaining the sweat-shop act of 1902 which had been declared null and void in a lower court used the following language: "The whole scheme of the act appears to us to be in furtherance of the protection and preservation of the public health, and, whatever criticism may be made upon the method of its enforcement, no convincing reason has been suggested to show that its terms have not a real and substantial relation to the subject of the police power of the state."[1] In 1885 the New York Court of Appeals declared a law forbidding the manufacture of cigars in tenements unconstitutional. The judges were unable to understand how the cigar makers' morals or health would be improved by forcing persons to work away from their homes with their "hallowed associations and beneficent influences." The old question of liberty is involved. Can a man be legally restrained in the interests of the public good from working wherever and under whatever conditions he may see fit or be forced to accept?[2]

The sweat-shop law of Michigan is a reasonably good statute. It provides that, unless a written permit is obtained from the factory inspector, no room or apartment of any tenement or dwelling house shall be used for the purpose of manufacturing any one of a long list of enumerated articles. This list included practically all articles of wearing apparel, purses, artificial flowers, cigars, and cigarettes. The New

[1] *Bulletin of the Bureau of Labor.* No. 58: 1001.

[2] This point was discussed in a preceding chapter.

York law also specifies the manufacture, preparing, or packing of macaroni, spaghetti, ice-cream, ices, candy, confectionery, nuts, and preserves. The permit shall not be granted until the premises have been inspected by the factory inspector or his deputy, and found to be in proper condition as to ventilation, heating, and lighting. This permit must be posted and may be revoked by the factory inspector "at any time the health of the community or of those so employed may require it." None of the kinds of work enumerated shall be performed in sleeping rooms or in rooms not having a separate outside entrance, except in the case of work performed wholly by members of the family. No material shall be given out by any person or firm to contractors or sub-contractors until the permit has been produced by the latter; and a register shall be kept of the names and addresses of all persons to whom material has been supplied. A seamstress may be employed to manufacture articles for the family use without applying for a permit. A penalty is prescribed for the violation of the act.

Practically all the sweat-shop laws enumerate a list, as does Michigan, of regulated tenement industries; and industries not included in the list are not subject to regulation. Many of the sweated industries mentioned in a preceding paragraph, such as covering buttons and shelling nuts, are therefore not subject to regulation by the factory inspector.

Connecticut, Illinois, Missouri, and Ohio do not require the issuance of permits or licenses, but Connecticut and Illinois provide that the factory inspector shall be notified whenever a shop is opened in a tenement or a dwelling house. The license provision is a very desirable and effective requirement. It "is far more effective than any penalty imposed in court, since it avoids the delay of court proceedings and takes from the violator the means of earning a living." Licensing and registering also lighten the work of the factory inspectors; but

the work is carried on in so many small and obscure shops and rooms scattered over a wide area that inspection is always difficult. On the other hand, the sweaters have as a rule little political influence. Restrictive legislation and efficient inspection will do much to reduce the glaring evils of the sweat-shop; but such legislation is not curative. Other remedial measures are necessary before the dangerous forms of the sweat-shop are eradicated.

Remedies. The remedies which may be proposed to remove the evils in connection with the sweat-shop are a multitude. No one of the many proposed remedies is adequate to cope with the difficulty; but a combination of several may in time prove effective. The important proposals may be summarized under four classes: Legislation, trade unionism, education, and systematization of industry. 1. *Legislation.* There are two kinds of legislation directed against the sweat-shop: restrictive laws and minimum wage laws. The former were discussed in the preceding paragraph. One additional form of restrictive legislation which might act as a palliative would be the restriction of immigration.

Since the sweat-shop is essentially parasitic, the establishment by law of a minimum wage payment which would yield sufficient income to the wage earner to maintain physical vigor would strike at the root of the evil. If the sweat-shops were not allowed to pay abnormally low wages, competition would soon force them out of existence. The minimum could be determined by a study of the budgets of wage earners. It should be a "living wage." The establishment of a minimum wage might force certain establishments out of business; but the nation can well afford to lose any industry which cannot pay sufficient wages to maintain its wage earners in health and efficiency. However, few would be forced out of existence; the methods of manufacture would merely be adjusted to meet the added cost of labor power. Artificial flowers are produced

in large quantities in sweat-shops; the sweat-shop is profitable because insufficient wages are paid to adequately support the workers. If a minimum wage were introduced, the industry would not be destroyed, but the work would be performed in factories, and more machinery would probably be utilized. Establish a minimum wage in the clothing industry, whether by law or through trade union action, and the trend toward the factory would be accelerated. Minimum wage laws aid the better class of employers by preventing unscrupulous competitors from employing labor under parasitic conditions. Like laws preventing adulteration, they prevent "unfair" competition. The establishment of a minimum wage would leave some overdriven and underpaid workers without a job. Others would have better jobs. The unemployed would become charges upon society, temporarily at least. The sweat-shop is, on the other hand, an expense to the nation; it increases physical weakness, degeneracy, crime, and prostitution.

A minimum wage law is not essentially a piece of socialistic or even radical legislation; it is in reality a conservative measure. Minimum wage legislation recognizes and aims to continue the present industrial regime. Where monopoly has replaced competition, minimum wage laws merely curb the power of the monopolist to reduce wages. In industries in which competition still obtains, such legislation modifies the plane of competition thus directly affecting both employers and employees. The unscrupulous or inefficient "twentieth man" among the business men will lose part of his power to force low wages and poor working conditions upon the entire industry regardless of the attitude and desires of other employers. And the low-standard-of-living wage earner will lose a portion of his advantage in competition with those demanding a somewhat higher standard. New rules are introduced by minimum wage legislation according to which

the competitive game must be played. Certain practices now enter the category in which are found "hitting below the belt" and "spiking the runner." The conditions under which competition takes place are changed, and the lower wage limit is artificially prevented from falling below a wage which will prevent the deterioration of the stamina and efficiency of the workers as a class. Like laws designed to prevent adulteration of food products, a minimum wage law will prevent "unfair" competition. Such legislation will aid the more progressive and humane type of employers by prohibiting the employment, by unscrupulous employers, of labor under parasitic conditions.

The representatives at the meeting of the International Association for Labor Legislation held at Lucerne in September, 1908, recognizing low wages as the fundamental cause of the sweat-shop evils, urged that steps be taken to establish a minimum wage for weak and unprotected classes of labor. In 1909 the British Parliament passed an anti-sweating act which became a law in September of that year. The law provides for boards with power to fix a minimum wage in certain sweated industries. Penalties are provided for employers disregarding the findings of the board. Employers and employees are represented upon the boards. Separate boards may be established for each trade or branch of a trade or industry. At first, boards are only to be established in four industries: wholesale tailoring, cardboard box making, lace finishing, and chain making. A board is expected to study the conditions in the industry for which it is appointed, and to fix minimum wages for both day and piece work. The Board of Trade may extend, provided Parliament consents, the provisions of the law to other industries. Although Parliament has sanctioned the principle of a minimum wage, it definitely maintains control over the extension of its application.[1] In

[1] The act is reprinted in *The Quarterly Journal of Economics*. May, 1910.

1912, the coal mining industry was placed under the provisions of the act. In 1913, the law was applied to four additional trades, and more recently it was extended to cover agricultural workers. In 1915, France enacted a minimum wage law applying to women in certain clothing industries.

The most famous and important attempt at establishing minimum wages has been made in Victoria. The law was first passed in 1896 as a temporary measure, and was amended and extended in 1900, 1903, and 1905. In 1900 South Australia provided for the establishment of minimum wage boards similar to those of Victoria. The law was not operative until 1905. An act passed in 1912 subordinated the wage boards to an arbitration board. In 1908 New South Wales passed a minimum wage act. One clause of the law reads: "No workman or shop assistant shall be employed unless in receipt of a weekly wage of at least four shillings, irrespective of any amount earned as overtime." Overtime means working over forty-eight hours in any week or after six o'clock in the afternoon. A minimum is thus established for the industries of the colony. As was indicated in a preceding chapter, the law of 1908 supersedes that of 1901 providing for courts of arbitration. It provides for wage boards in the important industries, with a restricted right of appeal to an industrial court. Again, in 1912, a compulsory arbitration system was superimposed upon the wage boards. In 1910, Tasmania passed a wage board act similar to that of Victoria. A strike against the findings of a wage board is punishable by heavy fines in Tasmania and South Australia. In Victoria boards may be appointed in the clothing, furniture, baking, butchering, and "small-goods" trades. Boards may also be appointed in any factory industry, provided the Parliament of the colony deems it expedient. A separate board is formed for each industry; the members are appointed by the governor unless protest is made by the employer or

employees concerned. In such an event the choice is made by the parties to the dispute. In Victoria minimum wage boards were in operation (1915) in about one hundred and fifty trades and their findings affected a large percentage of the workers of the colony.[1]

A board may fix minimum day or piece wages; but according to the 1903 law it is required to ascertain the average "rates of payment paid by reputable employers of average capacity." The lowest wage fixed by the board may not exceed the average wage thus ascertained. Evidence as to the cost of living and as to profits in the industry are not admitted. In case the average wage paid in the industry is not deemed satisfactory as a minimum, the whole matter may be referred to the court of industrial appeals. This court was established under the act of 1903; it may proceed to fix wages without being bound by the limitations of the minimum wage board. A board may fix the length of working day and determine the rate to be paid for overtime; and it is allowed to fix special wage rates for aged, infirm, or slow workers. The wage board system of Victoria was originally intended to apply only to the sweated industries; but it has been gradually extended until it has become a general method of wage regulation. According to the law of 1903, a wage board was required to ascertain the average "rates of payment paid by reputable employers of average capacity." This requirement has been repealed; and the principle of a "living wage," that is, a wage sufficient for normal needs, is quite generally followed. As the system has been extended to skilled trades, the wage determinations are often placed above a living wage.[2] A board may not only determine the minimum wage paid, but it may also fix the maximum number of working hours and the rate to

[1] Commons and Andrews, *Principles of Labor Legislation*, p. 173.

[2] Commons and Andrews, *Principles of Labor Legislation*, p. 179.

be paid for overtime. A board may likewise authorize special wage rates for aged, infirm or slow workers.

"The two chief objections made to the law have been (1) that it was unjust to the old and the slow worker, and that when conditions of competition make it worth while it creates a body of unemployed whose interest it is to evade the law, and (2) that it has a detrimental effect upon industries. Those who support the law maintain (*a*) that it has practically done away with sweating and has been an influence in favor of higher wages, (*b*) that it has not affected industries unfavorably, and (*c*) that it has been influential in preventing industrial conflicts between workers and their employers." [1]

The minimum wage boards of Victoria and Great Britain were legalized in response to sentiment opposed to the sweatshop. Theoretically, the sanction for minimum wage boards and the sanction for boards of arbitration are quite different. The latter are means of obtaining and preserving industrial peace. The former rest upon the principle that social progress is retarded when workers are paid wages which are so low as to render it impossible for them to maintain themselves and family in an adequate and decent manner. Or, in other words, the law makers recognize that a parasitic trade is a menace to the well-being of any community. No direct attempt is made to prevent strikes or lockouts. In actual practice, as has been indicated elsewhere, the minimum wage boards and boards of industrial arbitration accomplish almost the same ends. Possibly, fixing the maximum number of hours to be worked per week and per year may be a better and more practical method of attacking the sweated industries.

The first American state to pass a minimum wage law was Massachusetts. This act was passed in 1912 and went into effect in 1913. In the latter year, eight more states enacted legislation — California, Colorado, Minnesota, Nebraska,

[1] Clark, *Bulletin of the Bureau of Labor*. No. 56: 67.

Oregon, Utah, Washington and Wisconsin. Arkansas and Kansas in 1915, Arizona in 1917, North Dakota and Texas in 1919, also placed minimum wage legislation on their statute books. The federal government in 1918 enacted such legislation for the District of Columbia. At the present time (1920) fourteen states and the District of Columbia have laws providing for a minimum wage for women and children in all or specified industries. The compulsory arbitration law passed in Kansas practically enacts minimum wage legislation for men. The National War Labor Board adopted the principle of the minimum wage.

The laws are compulsory in all of the fourteen states except Massachusetts and Nebraska. In these two states, public opinion is depended upon to enforce the rulings of the commission. In Nebraska, the commission must publish in newspapers the names of employers who do not accept the rulings of the commission. In Massachusetts, the commission may do so. In Arizona, Arkansas and Utah, the minimum rates are fixed by legislative action; in the remaining states a minimum wage commission or industrial welfare board, appointed by the governor, is given authority to fix minimum wages and, as a rule, also to determine other conditions in industries employing women and children. The commission may undertake an investigation itself and make a wage determination, or it may delegate this work to a subordinate wage board, reserving the right to accept or to modify the findings of the board. In nearly all of the fourteen states, the law applies to all industries; but in Arizona, Arkansas and Colorado, certain industries are exempted from the operation of the law.

The principle of minimum wage determination is that of the living wage. In California, it is the "necessary cost of proper living"; in Oregon and Washington, the necessary cost of living; in Colorado, Massachusetts and Nebraska,

the cost of living and the financial condition of the business. The National War Labor Board adopted the following principle: — "In fixing wages, minimum rates of pay shall be established which will insure the subsistence of the worker and his family in health and reasonable comfort." The constitutionality of a compulsory minimum wage law applying to women and children was upheld by the United States Supreme Court in 1917. The slow spread of minimum wage legislation compared with that of workingmen's compensation in the United States, indicates that the American people do not consider the former to a very important type of legislation. The American Federation of Labor was in 1915 in favor of a minimum wage law for children and, presumably, not in favor of one for women workers.

2. *Trade Unionism.* The organization of the workers in the sweated industries is exceedingly difficult because of the constant influx of immigrants into the sweat-shops, and the ignorance and isolation of the workers. The unions among the workers in the clothing industries are increasing in strength, but it hardly seems probable that the unions can cope effectively with the home sweat-shop. One temporary effect of partial organization is to intensify the struggle in the remaining or unorganized portion of the field. The union label is also used as a means of decreasing the consumption of sweat-shop goods and increasing the consumption of union and factory-made articles.

3. *Education.* Our public day schools and public and private night schools can do little for the overworked and underfed sweat-shop worker; but the child of the worker may be aided. Compulsory education laws and laws forbidding child labor enable the public school to teach and influence the children of the slums and the sweat-shop. A knowledge of the English language and of American customs tends to reduce the isolation, which is a powerful bulwark protecting

and prolonging the sweat-shop evil. Industrial education will give the child greater skill and mobility. As long as immigration continues unabated, however, the school system cannot reach the heart of the problem.

As a weapon against the sweated industries, education of the general public in regard to the dangers of the sweat-shop is held in high esteem by many thoughtful observers. The sweat-shop will die a natural death when consumers refuse to purchase its products. The enthusiasts favoring the attack upon the sweat-shop by directing the demand of the consumer have urged publicity as to the conditions in sweat-shops and the dangers to the consumer of their products from infectious diseases. They have taken steps to make it possible to identify goods made and sold under sanitary conditions and where living wages are paid.

The National Consumers' League was organized in 1899 to conduct a campaign of education against the sweat-shop. The earliest league of this character was the New York Consumers' League organized in 1890. The New York organization directed its attention chiefly to stores. Stores conducted under "fair conditions" in regard to wages and treatment of employees were included in a widely circulated "white list" — a sort of negative boycott similar in nature to the union label. The National Consumers' League insists that the interests of the community and of the nation demand that all workers shall receive living wages, and that all goods shall be produced under healthful conditions. It has conducted a vigorous campaign of publicity, and in recent years has aided in crystallizing sentiment in favor of better labor laws. The National League grants the right to use the Consumers' League label to manufacturers living up to the following conditions: obedience to the state factory laws; all goods sold are made upon the premises; overtime is not allowed; and no children under sixteen years of age are employed.

While the work of the National Consumers' League in presenting to the purchasing public a picture of the bad conditions within the sweat-shop and in calling attention to the dangers involved in wearing clothing made under such conditions, has been of considerable value, and while the label has been of some importance as a negative weapon, the value of such attacks upon the sweating system may easily be overestimated. The sweat-shop seems far away to the majority of consumers, and it is difficult for the average purchaser to visualize the bad conditions and the dangers associated with it and its products. The frantic rush to the bargain counter of the department store indicates either that the ideals and principles of the League have not touched the general public or that these intangible entities give way readily before the tangible and forceful appeal of the pocketbook.

The leaders of the League seem to have recognized that publicity and the negative boycott are inadequate weapons. In 1910 a ten years' program was outlined. The important items in that program relate to agitation for legislation of a broad and general type. The League stands for the establishment of minimum wage boards, for the ten-hour day as the maximum for wage earning women in all states of the Union, for the conservation of young workers, and for the improvement of our pure food laws. Under the head of conserving young workers the League is demanding better laws against child labor, and is striving to secure better educational provisions for working girls and boys from sixteen to twenty-one years of age.[1] The consumers' League evidently recognizes that the abolition of the sweat-shop can come only through the improvement of conditions in all lines of industry. The treatment must be general, not local.

4. *Systematization of Industry.* Irregularity of work is one

[1] Florence Kelley, "Ten Years from Now," *The Survey.* March 26, 1910, pp. 978–981.

characteristic of a sweating system. Rush seasons are followed by dull seasons; the sweated worker is forced for a few weeks to exert himself almost to the limit of his physical powers, and then perhaps he will be out of work during the slack season. In a measure this irregularity cannot be avoided. Especially is this the case when the demand is dependent upon the whims of fashion. No manufacturer is able to foresee the eccentricities of the demands of fashion. But better organization of the particular business and the growth of the factory system will measurably reduce the pendulum swing from rush to slack seasons; by manufacturing in the slack period those garments or other articles for which the demand in the future may be calculated with a fair degree of accuracy, the irregularity can be somewhat reduced. The growth of "trustification" in industry tends to eliminate many of the small shops. The large business is capable of certain economies impossible in the case of the small shop, and it is best able to coördinate supply with demand. The contractor or the middleman is pushed to the wall as large industry reaches out for all forms of profit. As has been indicated, the enlargement of the business unit is gradually eliminating the contractor's sweat-shop. The contractor with a small shop is being changed into the foreman of a department in a factory; but the home sweat-shop may still persist as a subsidiary part of the factory system.

Public employment bureaus and bureaus for the distribution of immigrants can reduce the congestion of the working population in our cities, and in a measure equalize the demand between different sections of the country. The dovetailing of seasonal industries so as to give wage earners opportunities to work throughout the entire year would reduce the amount of overtime worked and the excessive over-driving of the worker during the rush period of a seasonal and a sweated industry. As long as the supply of unskilled labor is redundant,

the economic incentive to dovetail industries will, however, be slight. A well-managed and extensive system of public employment bureaus could give efficient service in transferring workers from one seasonal industry to another. If, however, attempts of that nature increase the size of the homeless and itinerant group of wage earners, the resultant evils may equal or exceed those which it is desired to reduce or eliminate.

Sweating in the Factory. The characteristic marks of a sweated industry are found in many large-scale factory industries where large masses of unskilled and unorganized or not well-organized workers are employed. A large steel corporation which works its blast furnace men twelve hours per day or per night in an unhealthful and dangerous environment is conducting a sweated industry. The long day, the severe physical and nervous strain, speeding-up, and the prodding of the overseer are found in as aggravated a form as in any insignificant sweat-shop of the tenements. The incentive which tends to produce a sweating system is present wherever the foreman gets a percentage of the difference between the cost of the material plus the wages and the value of the product turned out in his department. The method employed by large manufacturing establishments and department stores of pitting one manager against another and of comparing the output or sales this month or this year with preceding months and years, certainly is well calculated to develop phases of a sweated industry. In the Chicago stock yards, after the defeat of the unionists in the strike of 1904, uncertainty and irregularity of promotion operated to speed up the workers. One observer remarked that "a sense of insecurity prevailed all along the line." Each man was anxious to replace the man above him, and each feared that he would be superseded by the man in the ranks below — and outside the gates stood many, anxiously looking for jobs. This glance at the tendency of modern business engineering leads to the following

query. If unchecked by legislative enactments and trade union action, do not the conditions of competitive industry lead to the long working day, over-driving, and insanitary workshops — that is, toward a sweating system? Is not the position of the entrepreneur between the consumer and the workingman similar to that of the foreman or the contractor whose profits or income depends on the amount of work turned out in his department or workshop?

Within the last two or three decades changes have taken place in certain of our basic industries which have led to the development of working and living conditions approximating those surrounding the typical sweated worker. The woodmen are today homeless workers in logging camps; ice is also cut by the homeless man living in the bunk-house. Construction gangs working on railways, canals, reservoirs, and the like, are often herded together like cattle and live in insanitary quarters. Berries are picked, beet and onion fields weeded, and the grain of the West harvested by a class of floating workers living and working under abnormal conditions — conditions which endanger the physical and moral stamina of the workers. At the conclusion of the season many drift back to the cities to increase the debauchery, disease, and crime of our crowded centers of population. The problem of the homeless and itinerant worker in these elemental industries is one which ought to attract much attention. It is growing in importance. Immediately and directly it is a rural problem; but more remotely and indirectly it complicates the social problems of our cities. Publicity and regulative enactments are needed.[1]

[1] See *The Survey*, Jan. 1, 1910 and Aug. 7, 1909. Also Robins in *Report of Conference of Charities and Correction*, 1907. Tugwell and Winstead, *The Survey*, July 3, 1920.

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CHAPTER XIV

CHILD LABOR

The child labor problem is only a part of the more inclusive boy and girl problem which has been thrust upon an unprepared nation by modern industry and city life. To the wage earner child labor appears to be a form of subsidized labor. The dangers involved seem to be similar to those connected with the immigration of low-standard-of-living workers, with woman labor, and with convict labor. Child labor is not a new phenomenon, nor is it in essence an evil. The environmental conditions surrounding the modern child wage earner, the kind of work which he must perform, the regularity and routine incidental to its performance, and the competition between the child and the adult workers are elements which make child labor in factories, stores, and mines at the present time an evil and a menace to the race, to the nation, and to organized labor. For the boy and girl of ten to sixteen years of age, some opportunity to perform useful work — productive activity — is a valuable, almost an essential, part of his or her experience and training. On the other hand, long continued, routine work, performed under unfavorable conditions, is deadening, and inevitably causes physical, mental, and moral weakness.

The chores of the typical farmer boy of a generation or two ago, if not multiplied too freely, were excellent for the purpose of training and developing the youth. Work at home, before the day when the factory took almost all forms of industry out of the household, was not an unmixed evil for the child; but a long working day filled with routine work in a

factory or a sweat-shop environment robs the child of childhood, retards the progress of the nation, reduces the vigor of the race, and endangers the maintenance of a high standard of living among adult wage earners. The advocates of the prohibition of child labor do not believe that idleness and irresponsibility are necessary or desirable for the normal development of children. They do assert that long continued, specialized labor is extremely deleterious to the child until after the period of adolescence is past. The child should be taught to use hand and eye in useful, regular, and constructive work. Prohibition of child labor in factories, stores, and mines ought to be coupled with compulsory manual or industrial training in the public schools. The loss of opportunities for industrial training in the home and the complication of industrial processes push into the foreground the problems connected with industrial and trade education, and with apprenticeship. The solution of these problems is of vital importance to organized labor and to the nation. The mere passage and adequate enforcement of laws prohibiting child labor in workshops, stores, and mines is not sufficient.

Child Labor Before the Civil War. With the rise of the middle class in England, headed by the Tudors, and with the breaking of the old feudal fetters was developed the idea that idleness was a sin of the darkest hue. The Tudors were ever crying at the English laborer: "Ye are idle, ye are idle, go, therefore, now and work." The Puritan with his convictions tinged by religious ardor held firmly and fanatically to the view of the Tudors. According to the Puritan, the man, woman, or child who was idle stood in slippery places. In studying the facts in regard to woman and child labor during the first half of the nineteenth century, the effect of this inherited puritanical idea must never be lost sight of. A century ago, to give a child work in a factory was considered to be just, proper, and philanthropic. Today,

philanthropists and reformers are anxious to keep the child out of the factory, store, and mine, and to give him a reasonable opportunity to play.

Before the factory era children were employed in many kinds of household industry, and served as apprentices in certain skilled trades. The growth of factories called them outside the home, massed them together in considerable numbers, introduced greater regularity and specialization into their occupations, and gave more publicity to the evils of excessive child labor than was the case under the older form of household industry. When the factory system was in its infancy, one argument frequently used in favor of the introduction of factories was that the factory could utilize the labor of women and children who were idle. The old puritanical idea that idleness was a sin and a waste, was effectively used to break down opposition to the factory system and to obtain favorable legislation. Alexander Hamilton and other early protectionists declared that the factory would enable the manufacturer to employ child and woman workers in a more systematic and profitable manner than they could be employed under the old system. As a consequence, increased production in the factories would not necessitate the withdrawal of the efficient adult male workers from agriculture, shipping, fishing, or the skilled trades, The introduction of manufacture would, it was solemnly argued, "give employment to a great number of persons, especially females, who now eat the bread of idleness." Writers calmly estimated the additional product which might accrue to a given town or state if all the children were employed in gainful occupations. The children, they asserted, could obtain their schooling in night schools. A writer in *Niles' Register*,[1] a prominent weekly newspaper of the first half of last century, made a cold-blooded calculation as to the additional amount

[1] October 5, 1816. Vol. 11 : 86.

of wealth which might accrue to the people of the United States if all the children, not then employed, could be placed in mills and factories. It was urged that such a step would be a benefit, not only to manufacture, but to commerce and agriculture as well. This enthusiastic calculator figured that two hundred children from seven to sixteen years of age ought to earn $13,500 per year. Their clothing was estimated to cost $5,000; $8,500 would be left for boarding and educating the children. By placing them in factories, children could entirely pay for their maintenance, and thus one source of national waste would be dried up. The factory was a strange phenomenon. The men of the period did not and could not see the dangers involved in child labor in the mills; they had been taught to see the sinful side of leisure, and they clearly saw the opportunity to augment profits through the employment of children. Soon, however, the evils of unrestricted child labor in mills and factories became quite apparent, and agitation for legal restriction began. The wage earners and the humanitarian leaders were interested in the propaganda against child labor.

The factory system originated in England, and in that country the treatment of woman and child wage earners was perhaps worse than in this country. It is unnecessary to relate the oft-repeated story of the treatment of the "pauper apprentices" in the cotton mills of England. The wrongs of the slave pale when placed in contrast with the treatment of the child worker in Christian England of the first half of the nineteenth century. While England was enthusiastic over the emancipation of the Negro in the West Indies, her factory owners were filling their pockets with gold wrung from the vitality of thousands of young white children held in a bondage as pitiless as that of the far-away plantation owner. For several reasons the situation in this country never became as acute as in England. The factory did not appear in this

country until after England had made some attempts at factory regulation. The presence of large areas of fertile and undeveloped farm land in the West and the absence of a large number of pauper children were also ameliorating factors.

Certain writers have apparently assumed that children were rarely employed in factories prior to 1860; but the early textile factories were operated chiefly by women and children. While it is true that the total number of children employed in gainful occupations is larger in recent decades than in the second quarter of the nineteenth century, it is also undoubtedly true that the relative number thus engaged has not materially increased and has probably decreased. Accurate statistics are, of course, not available, but a study of contemporary books, pamphlets, reports, and newspapers leaves little doubt as to the accuracy of the conclusion just drawn. In 1820 over 5,000 pupils were reported to be on the rolls of the public schools of the city of Philadelphia. With the return of prosperous times the demand for child workers increased and the school attendance correspondingly diminished. In 1821 less than 3,000 children were in the schools. "In 1822 the attendance was 450 less than in 1821, and in 1823, it was less than half what it had been in 1820."[1] In 1832 Seth Luther, a spokesman of the workingmen, in his pamphlet "The Education of Workingmen" called attention to the evils of child labor in England. In 1825 a committee of the state legislature of Massachusetts investigated child labor in the factories of incorporated manufacturing companies. Over nine hundred children under sixteen years of age were reported as employed in these establishments. The average length of the working day was twelve or thirteen hours. No investigation was made of child employment in unincorporated establishments. One sentence from this report is indicative of public opinion in 1825. "Regard is paid to the

[1] McMaster, *History of the American People.* Vol. 5 : 360.

instruction of these juvenile laborers as opportunity permits, but some further legislative provisions may hereafter become necessary, that the children who are at a future day to become proprietors of these establishments, or at least greatly to influence their affairs, may not be subjected to too great devotion to pecuniary interest at the risk of more than an equivalent injury in the neglect of intellectual improvement." [1]

In 1828 a correspondent of the *National Intelligencer*, a prominent newspaper of the time, estimated that all the machinery in the country required about forty thousand persons, "principally women and children." The following statistics of a cotton mill, owned by the Union Manufacturing Company of Maryland, were taken from a newspaper dated December 10, 1822. This mill had four thousand spindles and fifty power-looms. The number of employees was 184, of which number 120 were "girls," and 58 boys, between the ages of seven and nineteen years. Only six men were employed. "The girls and boys live with their parents on the ground, where there is now a population exceeding six hundred people, living in the dwellings in the factory village, for which they pay rent. There is a school-house under good supervision, which is also used as a house of worship, is well attended to by ministers of various denominations, and where all employed by the company have free access. . . . An extensive store is kept by the company, affording every article of provision and clothing sufficient for those employed in the neighborhood for many miles around." The problems connected with child labor, night schools, the company store, and tenements were all involved in this factory of ninety years ago. The relations existing between this company and its employees must have been similar to those found in Pullman, in the copper country of northern Michigan, and elsewhere. It must not be forgotten that the first

[1] *Documentary History of American Industrial Society.* Vol. 5 : 59.

factory industries to develop were those which did not require considerable muscular development on the part of the workers; lightness of touch and rapidity of movement were demanded. The textile industries were particularly well adapted to the employment of women and children. With the growth of the iron and steel mills, little increased demand for women and child workers was manifested.

Child Labor during Recent Decades. Prior to 1870 no adequate statistics in regard to child labor in the United States are available. The census of 1870 reported that 739,164 children between the ages of ten and fifteen years inclusive were engaged in gainful occupations. Of this number 114,628 were employed in manufacturing establishments. During the succeeding decade the number of child laborers increased with alarming rapidity. In 1880, 1,118,536 child wage earners were reported in all occupations. The census figures for 1890 are not strictly comparable with those of other census reports because a different classification was adopted. In 1900, 1,750,178 breadwinners, ten to fifteen years of age, were reported. Of the total, 1,264,411 were males and 485,767 were females. The census returns made no enumeration of child workers under ten years of age. This number was not large, however, as only 8.1 per cent. of the total were ten years of age. Of the total in all occupations, 1,061,971 or 60.2 per cent. were engaged in "agricultural pursuits," and 688,207 or 39.8 per cent. were "in all other occupations." The census figures have been called "notoriously inadequate." A Maryland law of 1906 required all children under sixteen years of age to obtain working permits if they desired to become wage earners. Over twice as many applied for such permits as were reported by the census of 1900.[1] At the first of the year 1903 it was estimated that 20,000 children under the age of twelve

[1] Beveridge, *Speech in the Senate*, January, 1907.

years were working in the factories of the South. The Commissioners of Labor found 9,665 child workers in the cotton mills of six Southern states in the year 1908. The distribution of child laborers according to ages was in 1900:

Age	*Number*	*Per Cent.*	*Per Cent.*
15	552,854	31.6	54.8
14	406,701	23.2	
13	268,427	15.3	27.9
12	221,313	12.6	
11	158,778	9.1	17.2
10	142,105	8.1	

Over one-half of the child laborers ten to fifteen years of age were fourteen or fifteen years of age. In the manufacturing industries 5.6 per cent. of the total number of employees in 1870 were children; 6.7 per cent. in 1880; and 3.2 per cent. in 1900.

The conditions under which wage-earning children perform their duties vary greatly with different industries. Many dark, but truthful, pictures may be painted of the child laborer in mines, mills, canneries, and stores. The glass bottle industry has been well named a "boy-destroying industry." Boys are required to carry loads of bottles in a heated atmosphere and at a rapid pace. "The speed required and the heated atmosphere render continuous trotting most exhausting." The boys are "stunted, illiterate, profane, and obscene, — wrecked in body and in mind before entering upon the long adolescence known to happier children."[1] The work of the boys employed in the coal breakers of Pennsylvania is hard and unhealthful. The cramped position leads to physical deformity. "Clouds of dust fill the breakers and are inhaled by the boys, laying the foundation for asthma and miners' consumption."[2] Work in the canneries is often

[1] Kelley, *Charities*, July 4, 1903. See also *Report on Condition of Women and Child Wage-Earners in the United States*. Vol. 3: 108–109.

[2] Spargo, *The Bitter Cry of the Children*, p. 164.

performed under conditions which are inimical to the health and morals of children. The bean season, for example, lasts about six weeks. The work of entire families is frequently utilized. The families live in shacks. The children's little fingers are particularly dexterous in bean stringing. They sit close to mother or sister, working for hours at intense speed. Occasionally, "they may be released to take a box of beans to the weigher, carrying for several hundred feet weights too heavy for their tender years."[1] Mr. Lovejoy, after a study of the night messenger service, declares that it is "a menace to moral character," an "obstacle to physical development," and a barrier to future industrial efficiency.[2] These pictures — they are only a few selected from a multitude — may represent only the more dangerous and deteriorating forms of child labor; but that children in the United States are actually thus working day after day is a severe indictment of American civilization.

Early Legislation in England. During the last years of the eighteenth and the opening years of the nineteenth century the distinctive evils which are now recognized as inseparably connected with child labor in factory, mine, or store appeared. "The beginning of the present [nineteenth] century found children of five, and even of three years of age, in England, working in factories and brickyards; women working underground in mines, harnessed with mules to carts, drawing heavy loads; found the hours of labor whatever the avarice of individual mill-owners might exact, were it thirteen, or fourteen, or fifteen; found no guards about machinery to protect life and limb; found the air of the factory fouler than language can describe, even could human ears bear to hear the story."[3]

[1] Goldmark, *Annals of American Academy of Political and Social Science*. March, 1910.

[2] Lovejoy, *The Survey*. May 21, 1909.

[3] Walker, *Political Economy*, p. 381.

Pauper children were "farmed out" to factory owners. Frightful accounts are given of the day and night work of children, and of the relay system in factory and boarding house, — one gang worked while another slept; thus the beds in the boarding house were kept occupied practically all the time.

These evil conditions soon attracted public attention. Through the exertions of Sir Robert Peel and other humanitarian leaders of the period the first child labor law was passed in 1802. The title gives evidence of the limitations of the act, — "Health and Morals Act to regulate the Labor of Bound Children in Cotton Factories." It was a crude piece of legislation which only attempted to regulate the employment of pauper apprentices. The employer was required to clothe his apprentices properly; and the hours of labor lawfully required of the apprentice were limited to twelve per day. No child under nine years of age could legally become a "bound child." Night work was prohibited, and the provisions of the law required daily instruction of the apprentice. The walls of factories were to be whitewashed, and the rooms adequately ventilated. This act is important because it was the first act of its kind. It was practically inoperative; but it established the principle of parliamentary interference in behalf of working children. As the factory system developed and towns sprang up around the factories, the need of pauper apprentices was reduced. The children of residents could readily be obtained. In 1815 a committee was appointed by Parliament to investigate the conditions of working children. The testimony given before this committee disclosed the fact that very young children, some not over six years of age, were employed in factories; and that the length of their working day was twelve hours or more. As a result of this investigation the "second factory act" was passed in 1819. This act also only applied to cotton factories; but protection

was extended to children who were not "pauper apprentices." The act prohibited the employment of children under nine years of age, and limited the working day for all children between the ages of nine and sixteen years to twelve hours. Night work was prohibited. Other acts of minor importance were passed from time to time. In 1833, after another investigating committee had reported that conditions were still deplorable, a more adequate statute was enacted. This law of 1833 applied to all textile mills. Children between the ages of nine and thirteen years were permitted to work only eight hours daily; and children between the ages of thirteen and eighteen, twelve hours daily. The prohibition of night work was continued. A certain number of holidays and half-holidays were granted; and a physician's certificate of fitness for labor was required. The earlier laws had not provided for adequate inspection and means of enforcing their provisions. The most important innovation in the act of 1833 was the provision for salaried inspectors. The inspectors were granted power to make rules for the execution of the law, and were required to prosecute violations of its provisions. In 1842 the employment of women and of children under ten years of age in underground mines was prohibited. Two years later the "Children's Half-Time Act" was passed. The labor of children under thirteen years of age was restricted to half-time. The remaining half of the working day was to be spent in school. In 1848 all women and all children under eighteen years of age were restricted to a working day of ten hours. By the middle of the century the right of Parliament to pass what are known as "factory acts" was definitely established.

Legislation in the United States. In 1836 Massachusetts enacted legislation regulating the instruction of children employed in manufacturing establishments. In 1842 the working day for children under twelve years of age was

limited to ten hours. Ohio enacted her first child labor law in 1852, Illinois and Wisconsin in 1877, and Michigan in 1885. These early laws fixed the age limit under which no child could be employed, prescribed the maximum number of working hours per day or per week for those who might be employed, and prohibited the employment of children in certain dangerous or unhealthful occupations. Penalties were provided for violations; but the acts were, as a rule, somewhat indefinite and the provisions for enforcement inadequate. The real precursors of adequate child labor legislation were the two Massachusetts acts of 1866 and 1867. The employment of children under ten years of age in manufacturing establishments was forbidden. Three months schooling each year was required in the case of wage-earning children ten to fifteen years of age. No child under fifteen years could lawfully be employed in any manufacturing establishment for more than sixty hours per week. Provision was made for inspection, and annual reports were to be made by the inspecting officer to the governor. Penalties were provided for the violation of the act.

All of the forty-eight states, the District of Columbia, Alaska, Hawaii, and Porto Rico have laws relating to child labor upon their statute books. There are practically as many different laws as there are different states. States like Massachusetts, New York, and Ohio have elaborate statutes, while several of the Southern states have inadequate laws which are often poorly enforced. The most important regulative measures in regard to the employment of children are the establishment of an age limit below which children may not lawfully be employed, limitation of the number of working hours per day or per week, prohibition of night work, issuance of working papers, compulsory education, and the administration of the law. The minimum age of lawful employment varies, with some exceptions, from twelve to fourteen years.

The majority of the states have fixed upon fourteen years as the minimum age in the ordinary factory and mercantile industries. Each state usually classifies employments and fixes more than one minimum age. As a rule states fixing fourteen years as a minimum in ordinary industries require each wage earner between fourteen and sixteen years of age to obtain a working paper or certificate certifying that the child has completed a required amount of schooling, and is in sound health and physically able to do the work required in the employments in which such a child may legally be employed. In occupations dangerous to life, limb, health or morals the minimum age limit is usually placed higher. Ohio fixes the minimum in factories and stores at fifteen years for boys and sixteen years for girls. In factories, Montana's minimum is sixteen years; with some exceptions, South Dakota and Texas place the minimum in factories at fifteen years. Michigan and California assign fifteen years as the minimum in factories and stores during the school year. New Mexico has no provision except one prohibiting children under fourteen years of age from working in mines. Utah and Wyoming only prohibit child labor in mines and other dangerous occupations. Compulsory school-attendance laws are, however, on the statute books of these three backward states. Georgia, Mississippi, North Carolina and South Carolina have no minimum age for employment in stores. Florida fixes a minimum of twelve years in stores and fourteen years in factories. North Carolina, with certain exceptions, makes thirteen years the minimum age for factory work. The Mississippi law specifies twelve years for boys and fourteen for girls in factories and canneries.

Arkansas, Illinois, Minnesota, Missouri, North Dakota and Oregon limit the working hours for children under sixteen years of age to eight per day and forty-eight per week, "in all gainful occupations"; Arizona, California, Nevada,

Oklahoma, West Virginia, and Wisconsin, in all gainful occupations except agricultural pursuits and domestic service; the District of Columbia, Kansas, Kentucky, Massachusetts, Nebraska, New Jersey, Ohio and Washington, in factories and stores. In 1920, Alabama also passed an eight-hour law for children. On the other hand, Georgia, Louisiana, New Mexico, North Carolina, South Carolina, South Dakota and Virginia permit children to work ten or more hours per day. Twenty-four states and the District of Columbia prohibit night work for children under sixteen years of age.[1] The prohibited hours range from 6 to 10 P.M. to 5 to 7 A.M. Seventeen more states have similar laws, but these states exempt certain occupations from the provisions of the law. Georgia prohibits the night work of children under fourteen and one-half years of age, in factories. Nevada, New Mexico, South Dakota, Texas, Utah and Wyoming have no laws prohibiting night work for children under sixteen years of age. A desirable provision which is inserted in the laws of several states requires the employer to post in a conspicuous place in every room where children are employed, a printed notice stating the length of their working day, the hours of stopping and commencing work, and the period allowed for meals.

Unless some proof of age is required of children manifestly near the age limit, no child labor law is enforceable. As a rule, in states in which children under sixteen years of age are allowed to work, before employment of such children is legal a permit to work must be issued. The officer issuing such permits should be the superintendent of schools or some person designated by him, the health authorities or a representative of the state department of labor. The method of allowing notary publics to issue permits to work is inadequate and vicious. The permit should contain the name, age, place of birth, and a description of the child. The permit

[1] Except, in some states, in agricultural pursuits and domestic service.

shall not be issued (1) until the issuing officer has examined the school report of the child, which must indicate that the child is able to read, write, and perform simple operations in arithmetic, (2) until he has also received and examined a passport or some duly attested transcript of the record of birth or, in the absence of such proof, the affidavit of the parent accompanied by the certificate of the doctor or midwife attending at the birth of the child, and (3) until the issuing officer is satisfied that the child is in good health and physically able to perform the work which he intends to do, and that the services of the child are necessary to the support of itself or parents. This permit must be kept on file by the employer, and, in case the child terminates his employment, should be promptly returned to the issuing authority. It may be desirable, as in Michigan, to issue permits to work during vacation without a school certificate. One of the most effective aids in the enforcement of child labor legislation is a compulsory education law requiring the attendance for thirty-six to forty weeks each year of all children to the age of fourteen years, and until sixteen if they have not completed the equivalent of the work in the first eight grades of the public schools. During the summer vacation many children are employed in factories. "Nothing could be worse for the physique of the school child than being compelled to work during the summer; and the development of vacation school and vacation camp alone seems to promise a satisfactory solution of the problem of the vacation of the city child of the working class." Nevertheless, the factory work may be more desirable for children than street life; but other alternatives should be offered each and every child. Through vacation schools and directed play, the long summer vacation may be made a period of uplift instead of a season of physical and moral danger.

Child labor legislation which makes no adequate provision

for inspection is practically inoperative. In the great majority of the states the burden of inspection and enforcement of the law is placed upon the Department of Labor and a corps of factory inspectors. An effective and adequate child labor law should at least include the following provisions: Labor should be prohibited in all gainful occupations for all children under fourteen years of age, for all children under sixteen years of age who are not at least five feet in height and who do not weigh at least eighty pounds, for all children under sixteen years of age who cannot read and write the English language, for all children under sixteen years of age between the hours of 5 P.M. and 8 A.M. or longer than eight hours per day or forty-eight hours per week, and for all children in certain specified occupations dangerous to life, limb, health, or morals; the requirement of the issuance of working papers to all wage-earning children under sixteen years of age; the officials charged with the enforcement of the law should devote their entire time to the work; inspection should be thorough and frequent; prompt prosecution for violations of the law; annual reports should be published. A good compulsory school law should also be upon the statute books; and provisions should be made for industrial education, directed play, and vacation schools. Provisions for collecting accurate vital statistics, especially of birth records, are almost essential to the adequate enforcement of child labor legislation. The establishment of scholarships for children of families in poverty would be a valuable auxiliary. The community can well afford to pay the child of a poor widow, or of disabled parents, to go to school.

National Regulation. An excellent child labor law in one state may conceivably act as a check upon its industrial development. Certain industries may temporarily suffer in competition with those from other states having lax or no child labor laws upon their statute books. The significance of this

point has undoubtedly been over-emphasized by the opponents of child labor legislation; but uniformity in labor legislation as in regard to coinage, weights and measures, and bankruptcy is very desirable. National regulation would be one way of bringing about uniformity. The other method is the slow process of publicity, education, and agitation in every state in the union; and there is a temptation on the part of certain states to maintain lax child labor laws as well as lax corporation laws. A national "child labor law virtually establishes a legal tender in labor; it says that children under a certain age are no longer to be accepted as a tender in the performance of labor, just as a gold dollar of less than 25.8 grains in weight is no longer legal tender in payment of a debt. A uniform rule throughout the United States makes it impossible for a state to profit by the debasement of its population, just as legal tender laws make it impossible for a state to profit by the debasement of its coinage."[1] The prevention of the "debasement" of the children of the nation is an economic measure of national import. The passage of immigration laws which sift out the weak and defective will be of little value if children are dwarfed and weakened in our factories, mines, and stores. The federal government can stimulate industry by means of protective tariffs and patent laws, yet it has been powerless to remedy many of the industrial evils, including child labor, which grow out of industrial progress.

Germany and Switzerland, both having governments of the federal type, give the national governments the right to legislate upon matters relating to the conditions of labor. The demand that this matter be left solely to the states is a survival of the sectional jealousy and particularism which was so prominent at the time the federal constitution was adopted.

The federal constitution does not specifically give Congress

[1] Farnam, *Proceedings of the Child Labor Conference*, Hartford, Dec. 4, 1908, pp. 34–35.

the power to directly regulate child labor. Three methods have been proposed by means of which federal intervention may be obtained. The federal government might be given concurrent power with the states in regard to child labor legislation. Such an amendment would be difficult to obtain; but it would not be out of harmony with the spirit of the Constitution, which placed the coinage, the postal system, and interstate commerce under the control of the federal government. In the second place, it has been proposed to indirectly legislate against child labor through the power which Congress has over interstate commerce. Senator Beveridge was sponsor for a bill passed by the Senate, not voted upon by the House, in the winter of 1911, which proposed to prohibit the transportation by carriers of interstate commerce of the products of mines and factories employing child labor. The aim of the bill was to allow Congress indirectly to regulate a matter over which it has no direct power under the provisions of the Constitution. Senator Beveridge argued, that since Congress has the power to prohibit the transportation in interstate commerce of lottery tickets, obscene literature, uninspected cattle, loose hay in vessels, convict-made goods, and gold and silver goods bearing the mark "U. S. assay," it also has the power to prohibit the transportation in interstate commerce of child-made goods. Finally a Federal Child Labor Act modeled after the Beveridge bill, was passed by Congress in 1916 and went into effect September 1, 1917. This act prohibited the shipment in foreign and interstate commerce of goods produced in factories and canneries which, within thirty days prior to their removal, had employed children under fourteen years of age, or children between the ages of fourteen and sixteen for more than eight hours per day or six days per week, or between the hours of 7 P.M. and 6 A.M. It also placed the same prohibition upon the products of quarries and mines employing children

under sixteen years of age. This act was declared unconstitutional by the federal Supreme Court in June, 1918. Four of the nine judges dissented. This law, while enforced, did not affect the working conditions of the great mass of child toilers in agricultural pursuits, in stores, in the street trades or in any industries except manufacturing and mining.

After the act of 1916 was declared unconstitutional a third plan was utilized. The taxing power of the federal government was invoked. The revenue act of 1918, approved February 24, 1919, provided for an excise tax on the employment of child labor. This tax measure recited the same provisions as the federal child labor act of 1916; but instead of prohibiting the receipt of the products of such establishments in foreign or interstate commerce, the new act placed an excise tax of ten per cent upon the annual net profits of mines and manufacturing establishments employing children. The provisions of this act are being enforced by the Commissioner of Internal Revenue.

The Federal Children's Bureau was established by an act passed April 9, 1912. The Bureau is in the Department of Labor. Its purpose is to investigate and report upon all matters pertaining to child life and the welfare of children. The Bureau provides exact data in regard to child life and gives publicity to such material. It has been likened to "a searchlight which shows up the enemy but does not hit him"; nevertheless, the work of the Bureau does furnish ammunition which will aid states and the federal government in "hitting the enemy." One of the first pieces of work performed by the Bureau was a study of infant mortality. The statistics gathered indicated a close connection between low wages and a high death rate among the children in the families of the poorly paid workers. In 1917, the enforcement of the federal child labor law was placed in the charge of the Children's Bureau. The Bureau has made careful

studies of defective, delinquent and dependent children, also of the welfare of mothers in isolated rural communities. The Children's Year Campaign to reduce infant mortality and a National Baby Week were attempts to popularize the knowledge gained through investigation.

The National Child Labor Committee. The National Child Labor Committee was organized in 1904 and incorporated in 1907. Its purpose is "to investigate and report the facts concerning child labor; to raise the standard of public opinion and parental responsibility with respect to the employment of children; to assist in protecting children by suitable legislation against premature and otherwise injurious employment, and thus to aid in securing for them an opportunity for elementary education and physical development sufficient for the demands of citizenship and the requirements of industrial efficiency." The committee is supported by voluntary subscriptions. An annual meeting is held, and many pamphlets are issued for distribution.

Viewpoints. In considering the good and evil effects of child labor in factories, mines, and other industries where the work of children is subdivided and specialized, several viewpoints may be taken. (*a*) *The child's viewpoint.* Each and every child has a right to childhood; each child may rightfully demand opportunity for normal development. Normal development requires the training of the hand and eye; but such training is made impossible by long-continued routine work in a factory without proper opportunity to play, to receive an education and to have a variety of experiences. As progress continues, the normal length of childhood increases. Little children who are wage earners in the modern industrial world rarely become efficient adult workers, or develop normally. Employers sometimes remark that many foreign children are incapable of education; but the experience of many teachers shows that this statement is untrue. The

normal children of foreign parents are capable of receiving an education in our public schools. (*b*) *The family's viewpoint.* It is frequently urged that the poor family needs the earnings of the children of the family. A frequent and specious plea is that the prohibition of child labor will increase the hardships of many families. Here is the fertile field of the "special case." Many families in which there are small children need larger incomes; but the future of the child should not be sacrificed. Society certainly should cope with the problem in some more efficient and humane manner. The scholarship plan, according to which children are paid for attending school in cases where additional income seems essential, is a humane and desirable alternative for wage earning in the factory. Mrs. Gilman in vigorous terms declares that the right of the family is not paramount in comparison to the rights of the child. "It is not right to set the children to providing bread for the family. It is as abnormal a proposition as it would be to see a hen eat her own chickens or eggs." If the family is dependent, surely the nation, not the child, should bear the burden.

(*c*) *Moral evils resulting from child labor.* The child thrust prematurely into the factory, store, or mine is dwarfed in his moral development. The constant association with adults and the equally constant touch with the practical, bread-and-butter side of life tend to develop prematurely the adult view of life. The youthful wage earner becomes a man while, for normal development, he should still be a child. The tendency in the home of wage-earning children is toward relaxation of parental discipline. The child wage earner often loses his respect for parental authority. He feels that his ability to earn money places him in a position of independence of parental guidance. The child worker in the plastic adolescent period often hears much foul language, and is frequently brought into touch with various immoral influences. Fac-

tory conditions are often such that the child worker is in great danger of moral contamination. One of the worst forms of child labor in this regard is the messenger service. Mrs. Florence Kelley has carefully investigated the conditions in this service. "There is not, I believe," writes Mrs. Kelley, "one messenger boy three months in the service of the Western Union, American District Telegraph, Postal, or any general local telegraph or messenger service, who fails to learn everything known to any criminal in the community in which he lives. . . . The temptations which beset them are so cruel and so pitiless, so shocking, that they can neither be painted nor told." On the other hand, the writer heard a representative of one of the telegraph companies declare in eloquent terms before a committee of the State Senate of Michigan that such work was almost ideal for boys. While in the service of his company the boys were given exercise in the open air and were kept from the dangers involved in playing upon the city streets. Child labor often leads to gross immorality. The monotony of his life leads to seek the forms of amusement which excite and degrade. Venereal diseases are often unusually prevalent among working children in factory towns.[1]

(*d*) *The racial viewpoint.* The most important products of any nation are its boys and girls. The conservation of human resources is of even greater importance than is that of the conservation of the natural resources. National progress and racial uplift require that the individuals of the rising generation be trained and developed so as to become worthy successors of today's men and women of action. The life, health, vigor, and training of each and every young person is a matter of great importance to the nation. Child labor laws are forms of social insurance. If children are overworked and underfed, if they are given inadequate oppor-

[1] Spargo, *The Bitter Cry of the Children*, pp. 181–190.

tunity for healthful play and enjoyment, if children are forced to become wage earners in early youth, the inevitable fruitage will be stunted, inefficient, and apathetic men and women. England is today paying the penalty for grinding out young lives in her mines and factories. The warriors who charged with the Light Brigade, or who stopped the hosts of Napoleon at Waterloo have gone, and their places cannot be filled by the prematurely aged toilers in shop and mine.

(*e*) *The educational viewpoint.* A child without a normal childhood becomes the inefficient or the delinquent adult, if, indeed, adult life is reached. The American people are maintaining a costly educational plant — buildings, equipment, teachers, manual training, playgrounds; but only about one in every eight children are found in the schoolroom after their fifteenth birthday. Are we as a nation heartily in favor of a free school system for all children? To the candid student of statistics of school attendance it seems doubtful. If the American people are desirous of giving the benefits of education to each and every child, our efforts to do so are indeed feeble. If education, including as it should play, physical culture, and manual or industrial training, makes for good citizenship and efficient workmanship, the nation ought to pass and enforce such laws as will give to each and every child an opportunity to be more than an anemic, half-exhausted piece of human mechanism. But coercive legislation keeping the child out of the factory should be balanced by increased emphasis upon industrial training in the public schools.

(*f*) *The economic effect of child labor.* The introduction of children into industry causes the displacement of adult workers, increases the minuteness of the subdivision of labor, and delays the introduction of labor-saving devices. The effect is almost identical to that caused by the immigration of workers living on a low standard of living. The difficulties in both cases are caused by the presence of a supply of "cheap

labor." The supply of child labor tends to reduce the wages of adult workers in the industries where children are introduced. The earnings of the entire family in industries where men, women, and children are employed are no higher than that of the head of the household in industries where only the men are employed.[1] The use of child labor — cheap labor — enables certain parasitic or sweated industries to continue in operation; and it enables certain families to be self-supporting. The percentage of child workers injured in factories is higher than the percentage of adult factory workers injured.

The more remote effects of child labor are still more important than the immediate effects which were briefly considered in the preceding paragraph. From a purely economic point of view, casting aside all moral, ethical, or humanitarian arguments, child labor is a waste to the nation. A normal youth eighteen years of age ought to have forty-five or fifty years of useful productive work ahead of him. Proper diet, proper housing facilities, a fair amount of recreation, and absence of unhealthful occupation and dissipation will give to the average normal and well-developed youth such a prospect; but premature child labor takes it away. The efficiency and the length of the working life of the average child worker in factories, stores, and mines is less than that of the average individual who has not been forced to become a breadwinner before the age of sixteen or eighteen years. Not only is the productive efficiency of the average wage earner reduced because of the prevalence of child labor, but the expense of caring for dependents, vagrants, and delinquents is increased. The national income is diminished and the national expenditures increased. The child-employing industries are parasitic. They reduce the number of

[1] *American Economic Association Publications*. Vol. 5: 170. See also Gunton, *Wealth and Progress*, p. 171.

recruits for other industries; and they lower the average efficiency of the mass of workers. By lowering the efficiency and by adversely affecting the stamina of the young, child labor tends to reduce the future standard of living of the workers of the nation.

(*g*) *Organized labor's viewpoint.* Organized labor is opposed to the use of child labor because it tends to reduce wages and to cause the displacement of adult workers. While the unionist often places the humanitarian argument in the foreground, the real reason for the firm attitude of organized labor is selfish. Child labor is a menace to the life and effectiveness of the labor union. The individual workingman is often a prey to conflicting interests in regard to the early employment of his own children; but his union almost invariably opposes child labor. The skilled glass bottle blowers, however, employ boys to carry bottles from the molder to the annealing oven; and their union has not been active in attempting to put an end to this practice. These wretched "blowers' dogs" are the "victims alike of the manufacturers and the skilled workers." In this industry the skilled workers are not menaced by the child laborer, and consequently, child labor in the glass industry is not considered by them to be a serious evil. "In some factories," writes Mrs. Florence Kelley, "the blowers are required to furnish boys; and as they do not sacrifice their sons (whom they introduce into the trade as apprentices, if at all) they are continually searching for available sources of supply." Evidently, altruistic motives alone do not lead labor organizations to oppose child labor.

Opposition to the Prohibition of Child Labor. In the face of so many obvious economic, moral, and racial disadvantages, the continued prevalence of child labor indicates the existence of powerful forces favorable to its utilization. The disadvantages either affect society as a whole or are relatively

remote in incidence. Child labor legislation is coercive; and compulsion must be used to insure enforcement. This legislation operates against certain powerful direct and personal economic motives. The advantages to be derived from child labor seem immediate and personal. (*a*) The manufacturers desire to hire cheap labor. In the long run it may not be difficult to prove that "cheap" labor is "dear" labor, and in certain industries employers are refusing to hire children under sixteen years of age because of their inefficiency and carelessness; but in a large number of important industries the opportunity to hire children at low wages helps to swell the dividends paid this year to the anxious stockholders. (*b*) Many parents are desirous of obtaining income from the work of their children. The family may be in want or the head of the family may be indolent or avaricious. In either case the immediate opportunity of increasing the family income overbalances any fear of the possible remote injurious effects of such labor upon the child. (*c*) The child himself is anxious to earn money. He wishes to have money of his own to spend; and he too often sees little that is of practical value in the education offered by the public school. He asserts that there is "nothing doing" in school, and he craves for activity. The desire for spending money today bulks larger than any remote and intangible disadvantageous effect upon the earning capacity. Many backward and stupid children leave school early in life because they are ashamed to stay in a class with children younger than themselves.

The forces opposing child labor legislation are powerful. Coercive legislation is always difficult of enforcement. Scientific legislation — legislation which follows the route of least social resistance — will work along other lines. A law prohibiting child labor may be extremely desirable; but if the income of the family is so meager that proper subsistence

cannot be provided for the members of the family, that family is imperiled, and the future of the children endangered. Mere coercive legislation which restrains children from earning wages is only a palliative; it brushes the surface. Indeed, sometimes it is a sedative which prevents further study and investigation. Questions pertaining to wages, employment, sanitary home and working conditions, educational facilities, private property, and taxation are more fundamental. The prohibition of child labor in factories, stores, and mines is only one link in a long chain of measures making for social betterment. The efficiency of a child labor law depends upon the passage of other laws and regulations.

Free education and free text-books reduce the direct expenses of attending school, and consequently many children continue in school who would drop out if the parents were forced to pay for tuition and text-books. Paying children to go to school is the next step. Such a measure would directly attack the child labor evil. The motives (*b*) and (*c*) would no longer act effectively to draw children out of the schoolroom and into the factory. Such legislation will be called paternalism; but the free school system is paternalistic. Paying children to go to school is a form of scientific child labor legislation. It removes or minimizes the force of two of the three powerful motives which lead children to become wage earners. Coercive legislation would be less necessary and less difficult of enforcement if children were paid to attend school.

Indications of a movement toward a system of paying children to go to school are not lacking. As has been the case in many other reform movements, the first steps were taken by certain private associations. Over a decade ago the New York Child Labor Committee devoted a portion of its funds toward the payment of scholarships. In 1908, it expended approximately $4,000 for scholarships. The

Inter-Church Child Labor Committee of Grand Rapids before the year 1911 also maintained several scholarships. Under the laws of the States of Ohio and Michigan boards of education are permitted to furnish such aid. Acting under the provisions of these laws, boards of education may grant "scholarships" to certain children; or, in other words, children in indigent families may, in these two states, be paid to attend school. In Switzerland, children of widows receive at the end of each successful week in school a certain sum of money paid out of a scholarship fund maintained by the canton. This payment is not considered to be an act of charity. Mothers' pension laws now on the statute books of approximately two-thirds of our states, may be in effect scholarship laws. Under these acts a widowed or deserted mother is granted such aid as is necessary for her to maintain a home for her children and to send them to school. For example, in the State of Missouri a mothers' pension may be granted to women with children under sixteen years of age, whose husbands are dead or unable to support them. It is administered by County Boards of Child Welfare. In some states, a mother whose husband has deserted the family may receive a mothers' pension.

The improvement of our educational facilities will go far toward reducing the amount of child labor. More industrial training and domestic science are needed in the schools. The removal of the children from the factories is merely negative legislation; improvement of the schools and the introduction of vocational education are of positive value. More attention should be paid to physical training and to play and amusements by our school authorities. An editor of a daily paper has put the matter in a nutshell: "It is the essence of folly and cruelty to pitch the children taken from the factory and workshop regardless into the dilettante, fad-oppressed atmosphere of the ordinary schoolroom. Save the children from

slavery, but see where they are put when saved. Look well to the schools." It sometimes seems that in order to receive the best of school training a child must be abnormal, — truant, delinquent, or defective. A recent writer asserts that the American people are placing a "premium on abnormality."

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CHAPTER XV

WOMAN LABOR

Woman Labor Before the Civil War. It is often stated and quite generally believed that the movement of women into industry is a new and startling phenomenon. Woman, however, was the first industrial worker; the primitive man was a hunter and a fighter. In 1789 some French women petitioned the king to exclude men from the trades belonging to women, "whether dressmaking, embroidery, or haberdashery. Let them leave us, at least, the needle and the spindle, and we will engage not to wield the compass or the square." Miss Edith Abbott, after a painstaking investigation, came to the conclusion that women are today relatively to men a less important factor in industrial life than they were three-quarters of a century ago. The statistics upon which this conclusion was based have been severely criticized. Nevertheless, it seems beyond controversy that the wives and female relatives of the head of the family in the wage earning class were workers throughout the nineteenth century. If they did not work in household industry, they were found in the factories. The recent movement, which is attracting so much attention, is really a middle class exodus from the home. Women and children, as was stated in the preceding chapter, constituted the bulk of the workers in the first factories — textile mills — of the United States. "Women formed, roughly speaking, from two-thirds to three-fourths, and in some districts as high as nine-tenths, of the total number of operatives in the first half of the century; but this proportion has been declining until, in the twentieth century, the men

outnumber the women."[1] The preceding quotation referred to cotton factories only; in the woolen industry the percentage of women workers has undergone only a slight modification. The largest percentage is less than fifty per cent. The oft-quoted generalization of Harriet Martineau, that in 1836 only seven occupations were open to women, was probably based upon insufficient data. In fact, in another connection, Miss Martineau mentions an additional industry in which women were engaged.

The women operatives in the early cotton mills were born in America; many of them were the daughters of farmers living in the vicinity of the mill towns. With the influx of immigration in the forties, the character and nationality of the women operatives rapidly changed. The conditions in the early factories were frequently pictured as far superior to those obtaining in a factory of the present time. As a matter of fact, the working day was long, the mills badly ventilated and poorly lighted, and the corporation boarding houses were overcrowded and insanitary.[2] A delegate to the first convention of the National Trades' Union, held in 1834, declared the cotton factories to be "the present abode of wretchedness, disease, and misery." The Committee on Female Labor made a long report to the convention of 1836. This committee stated that factory work injured the health and lowered the moral standards of the female employee, and that "when females are found capable of performing duties generally performed by men, as a natural consequence, from the cheapness of their habits and dependent situation, they acquire complete control of that particular branch of labor." The committee recommended legislation prohibiting women "under a certain age" from working in "large factories."

Women Wage Earners and the Wages of Women. In 1900

[1] Abbott, *Journal of Political Economy.* Vol. 16: 607.

[2] Abbott, *Journal of Political Economy.* Vol. 16: 680–692. Vol. 17: 19–35.

there were 28,246,384 women in the United States over ten years of age; of this total, 5,319,397 or nearly 19 per cent. were reported to be gainfully employed. The percentages for 1890, 1880, and 1870 are approximately 17.4, 14.7, and 13 respectively. The percentage of women breadwinners, sixteen years of age and over, in all occupations was, in 1900, 16.6 per cent.; in 1880, 13.5 per cent. In agricultural pursuits, the percentages were 7.4 and 5.9 respectively; in professional service, 34.1 and 29.3; in domestic and personal service, 35.0 and 31.5; in trade and transportation, 10.1 and 3.2; and in manufacturing and mechanical pursuits, 16.9 and 15.4. The percentage of women wage earners was higher in each of the five important groups in 1900 than in 1880. The increase in trade and transportation was particularly marked. The schedules of the Twelfth Census enumerate 303 separate employments. Women workers were found in all except eight — soldiers, sailors, marines, street-car drivers, firemen of the municipal fire departments, apprentices and helpers to roofers and slaters, helpers to steam boiler makers, helpers to brass workers.

The tendencies during the decade 1890 to 1900 may be summarized as follows:[1] First, the total number of female wage earners and the number employed in each of the five large occupational groups increased more rapidly than the total population, the total male population, or the total female population. Secondly, occupational groups into which middle-class women enter show a higher rate of increase than those into which "working-class" women chiefly enter. In the third place, of the 18 occupations employing more than one per cent. of the total number of women wage earners, the declining occupations are "the traditionally feminine ones, — dressmakers, servants and waitresses, seamstresses and tailoresses." Only one of these is a declining occupation for men.

[1] Abbot and Breckinridge, *Journal of Political Economy*. Vol. 14: 36.

In 1910, approximately 8,000,000 women were reported as gainfully employed, or the number of women workers increased over 45 per cent during the ten-year period. The number of females over ten years of age increased about 22 per cent. One-fifth of all gainfully employed workers in 1910 were females. In 1919, it may be estimated that approximately 11,000,000 women were in gainful occupations. The number of women over sixteen years of age engaged in manufacturing in 1909 was reported to be 1,290,389, or 19.5 per cent of all wage earners engaged in the manufacturing plants of the nation. In 1914, the number was 1,389,366, an increase of nearly eight per cent over the number reported for 1909. These figures do not include the women in clerical work or managerial positions in manufacturing plants. If all were included, girls under sixteen and women in clerical and managerial positions, the total number of women in manufacturing industries in 1914 may be estimated at over 1,500,000. At the time of the armistice, the number was probably between 1,750,000 and 2,000,000. The number of married women gainfully employed in 1900 was 769,477, and, in 1910, 1,890,623 — an increase of 123 per cent during the decade. Before the War, four great industries, at least, were "women's industries" — garment making, the manufacture of knit goods, candy making and the paper trades. The number of women working in canneries, steam laundries, bakeries and glove factories increased greatly from 1900 to 1910. Women filled "the ranks of the unskilled and semi-skilled in large plants with standardized products and in small low grade workshops in large cities." During the war period the classes of women especially drawn into industrial pursuits were domestic servants, teachers, and the wives and mothers of soldiers.[1] The new lines of work temporarily at

[1] Wolfe and Olsen, "War-Time Employment of Women in the U. S.," *Jour. of Political Economy*, Oct., 1919; *American Labor Year Book, 1919–1920*, pp. 19 ff.

least opened up to women during the War, were chiefly machine shop work, assembling small parts and inspection in munition plants, automobile factories and railway shops. A few hundred women were temporarily employed as "conductorettes" on street railways, and some obtained work as passenger elevator operators, ushers in theaters and doormen. It is not probable that women will continue to be employed in the more exacting and strenuous sort of work in machine shops or elsewhere in industry.

The great majority of women who pushed into industrial work during the War were unorganized. Their coming gave unionists occasion for concern. It was the concensus of opinion among unionists that women should receive the same pay as men for equal productivity. The opposition of unionists to the influx of women into new occupations is based very largely upon the fear of women as underbidders in the labor market. In New York, certain locals of the International Association of Machinists admitted women to membership. One local in Brooklyn was entirely composed of women. As a rule the women who during the War crowded into the trades hitherto preëmpted by men, were not taken into the unions.[1]

For a decade or more before the opening of the Great War various investigations proved quite conclusively "that the women wage earners of this country are forced to labor under distressing and inhuman conditions, working long hours for miserly small wages, hardly sufficient to keep soul and body together." The Pittsburgh Survey (1908) found the wages of laborers employed in the mills "so low as to be inadequate to the maintenance of a normal American standard of living"; it was also ascertained that women received about "one-half as much as unorganized men in the same

[1] *The Industrial Replacement of Men by Women.* Bulletin issued by The Industrial Commission of New York, March, 1919, pp. 43 ff.

shops, and one-third as much as men in the union." Of the 22,185 women wage earners of Pittsburgh engaged in manufacture and mercantile pursuits, one-fifth earned $8.00 per week or more, one-fifth earned a median wage of $7.00, and the remainder earned from $3.00 to $6.00 per week. Even in those days of comparatively low costs of living "the lines of a seven dollar budget are [were] lines of a barren life." In 1905 the number of men reported to be engaged as wage earners in the manufacturing establishments of the United States was approximately four times the number of women; but the total amount of the wages paid the men was approximately seven and one-half times the amount paid to the women. It is unnecessary to multiply statistics. Women wage earners receive lower wages than male workers for the same service, and the wage received by a large percentage of the female workers is less than an adequate living wage. Nearing's oft-quoted conclusions were that, in 1911 of the women workers in the northern and eastern portions of the United States, nineteen-twentieths earned less than $601 per year.

What effect has the War made upon the level of women's wage and upon the wage received by women relative to that received by men for similar work? "The prevalent impression," writes Professor Wolfe, "that the War has caused an immense improvement in wage rates for women will not bear the light of facts." The statistics which have been gathered of wages and cost of living serve to substantiate this conclusion. In the millinery industry of Massachusetts (1919) 403 out of 1,864 employees received an average wage of less than $6.00 per week.[1] In the summer of 1919, 4.1 per cent of the women employees of the hotels of Washington, D. C., received less than $7.00 per week.[2] The minimum wage

[1] *Monthly Labor Review*, November, 1919.
[2] *Ibid.*, January, 1920.

fixed early in the year 1920 by the findings of a wage board in Washington, for women employed in hotels and restaurants, was $16.50 per week. In New York State, of 117 plants investigated, 29 paid women workers less than $12.00 per week, and 69 less than $14.00 per week. Only about one-fifth of the plants from which data was received paid women replacing men the same rate as was paid the men whose places they filled.[1] The Consumers' League reached the conclusion that in New York State only one out of fourteen industries employing large numbers of women, paid a living wage in 1919.[2]

If low and insufficient wages are paid to women workers, if low wages are joined with a long working day and the nervous tension of rapid work, physical and mental deterioration are inevitable consequences. As long as the wage paid women workers is less than an adequate living wage, a constant and potent force is acting to produce unsocial and degrading conduct. Low wages, the long working day, and strenuous endeavor are important causes of prostitution. "Permanent industrial progress cannot be built upon the physical exhaustion of women," nor can it be built upon the moral degradation of the young working girl. In recent decades, a large percentage of women workers have not become apprentices or highly skilled workers because they did not expect to remain long as industrial workers; they were not spurred on by the ambitions which prod the young man. Up to the present time women industrial workers have been, as a group, a shifting body of poorly trained, underpaid and overworked employees. The labor turnover of the pre-War women workers was large. While there are certain reasons for expecting marked improvement in the

[1] *The Industrial Replacement of Men by Women.* Bulletin issued by the Industrial Commission of New York, March, 1919.

[2] *The Survey*, April 17, 1920.

industrial status of women in the next decade, insufficient time has elapsed since the War to warrant the definite statement of optimistic conclusions.

Over a decade ago the Pittsburgh Survey made it possible to draw some definite conclusions as to the competition between men and women workers, and in regard to the present tendency toward the displacement of men by women, or women by men. (1) The kinds of work demanding skill, strength, or training have remained chiefly in the hands of the male workers. (2) Routine and monotonous work of a light and simple character, particularly where the material is of an inferior quality — the sort of work that is stupefying — is turned over to the women workers.[1] Miss Abbott has shown that women do not displace men in the skilled trades any more than men displace women. In the unskilled work, however, it seems that women do displace men and will continue to displace men in many lines as long as they can be secured at very low wages. The casual workers, many of whom are women, act as a drag to keep down the scale of wages and the standard of living. The war-time experience of England and the United States seems to indicate that women may be successful not only in routine work but also in many forms of highly skilled labor if provisions are made for adequate training.[2]

Reasons for the Low Wages of Women Workers. Why do women usually receive lower wages for the same work, or work requiring a like degree of skill and training, than are paid to male wage earners? Several reasons may be given: (1) Women are physically weaker than men, and in certain occupations cannot perform all the operations which can be

[1] Free use has been made in this section of the Pittsburgh Survey, particularly of articles by Miss Butler and Dr. Devine in *Charities and The Commons*, March 6, 1909, and of an investigation in New York City made by Miss Odencranz, *The Survey*, May 1, 1909.

[2] *The Industrial Replacement of Men by Women*, p. 17.

intrusted to male workers. (2) Women are more liable to attacks of sickness than men. On the other hand, dissipation causes greater irregularity of work among men than among women workers. (3) Women are limited to a smaller number of occupations than men, thus increasing the competition for work. Although the census figures show that women workers were found in nearly all of the three hundred separate occupations, the majority of women workers are still concentrated in a few occupations – particularly those requiring routine work and little skill. (4) "Immobility of labor" is a more marked phenomenon among women than among men workers. Not only are female workers confined to a comparatively small number of occupations; but it is more difficult for women than for men to go from one locality to another seeking employment. (5) Women workers are frequently subsidized. Many are aided by relatives or live at home. The subsidized worker is willing to accept lower wages than the self-supporting wage earner, and becomes a dangerous competitor of the latter. (6) Potential and actual competition with women workers in the home is an important factor in keeping down the scale of wages. Any increase in wages will cause more women to leave the home and enter the ranks of wage earners. In this manner the supply of workers is increased and further advances checked. The actual competition with workers in the home anxious to earn "pin-money" is even more potent. (7) Women are not, as a rule, interested in learning a trade, because they do not expect to remain long as wage earners. Nearly all look forward to matrimony. Consequently women workers are not as ambitious and eager for advancement as are men. Because of this industrial instability, employers do not desire to take as apprentices those who are anxious to learn a trade. (8) Men have found the formation of labor organizations an important factor in increasing wages. Women have not been

willing to organize into strong unions because (*a*) they expect to marry in the not distant future and withdraw from the industrial field, and (*b*) the past experience of women has been such as to make it difficult for them to organize and to act unitedly. This difficulty is diminishing as the years pass by. Organizations of women workers are increasing in number and in importance; and union men are aiding rather than opposing such organizations. (9) The cost of maintenance, overhead expenses, the cost of supervision, and of turnover are somewhat greater in the case of women than of men workers. (10) The custom of paying women less than men is an influence which is not wholly negligible. (11) Until recently women have not been granted unlimited suffrage except in a few western states. This fact has been of some importance in keeping down the wage scale in municipal and governmental employment; and indirectly wages in other employments are affected. (12) One further factor based upon the psychology of women has been noted. It is said that women are always grateful to the man who gives them employment. Consequently, many women remain with an employer when they might do better elsewhere. Modesty often prevents the woman worker from asking for increased wages.

Obstacles to Organization. Women wage earners are not as easily united into strong and permanent labor organizations as are the male workers. The number of women unionists is increasing; and very definite measures are being taken by such organizations as the National Women's Trade Union League, not only to increase the numerical strength, but also to develop the spirit of loyalty to the union. The great obstacles which retard the organization of female workers are two in number: (1) The past experience of generations of women has not been of the sort which would enable a woman to act in unison with other women. Woman has lived an isolated,

restricted, and dependent life. Her sphere has been the home; and she has been privileged to have but few points of contact with the outside world. Her industry has ever been of the small-scale type. Weather conditions, poor facilities for transportation and communication, and unyielding traditions have aided in preventing this half of humanity from participating in associated effort of any sort whether industrial or social. As a consequence, even when women are brought together as in recent years in the factory and elsewhere there has been hardly a modicum of coöperation, associated effort, or exchange of experience. Woman's isolated and sheltered position has not encouraged innovation or invention, and women have become entangled in a web of traditions and conventions from which it is quite difficult to escape. The women's club represents a step away from the older ideals. It has been a training school for the teaching of collective and organized activity. This experience is of value in hastening the growth of unionism among women wage earners. The experience of women workers in factories, stores, and offices also tends to modify the older views as to woman's rightful privileges and as to the propriety of united and aggressive action. Contact as wage earners with the factory system and large-scale industry changes the attitude of women as well as of men toward the propriety and desirability of collective activity. The importance of the first obstacle is growing less and less with the passage of years. (2) A large percentage of women wage earners are young and unmarried. They do not expect to remain breadwinners except for a few years. Since the important advantages which accrue from a labor organization are often long deferred, a girl worker is unwilling to pay dues and perhaps suffer some present discomfort for a collective benefit which may not be received by the membership until after she is no longer a member. Union organizers of women workers are presenting

a different and a pertinent view of the situation. They insist that even though women workers do expect to marry within a few years, their interest in labor organizations among women is not small. Low wages for women tend to reduce wages for men, or at least to prevent increases. Organization, it is urged, and rightly so, will aid in obtaining higher wages, shorter hours, and better conditions for women workers. If, therefore, working girls refuse to organize today, their action may adversely affect the income of their future husbands and the income of their own future households. It follows, according to this line of reasoning, that all women workers are as vitally interested in labor organizations as are male wage earners. The proposal to introduce the marriage dowry as a benefit feature in unions of women workers is another method of breaking the force of the second obstacle.

Working Women and the Home. The primitive industrial worker was a woman. As the centuries have rolled by, man has usurped many industrial functions, and has narrowed the original sphere of woman's duties. In recent decades the home has been stripped of various kinds of industry, and woman is following her work out of the home. The factory has been a magnet which has drawn women from the home. In the cities of this country, at least one in five adult women are workers employed outside the home. In the case of many of the homes of city workers of the unskilled group, the function of the home has been reduced chiefly to that of an eating and sleeping place. Amusement, social intercourse, the making of clothing, and a considerable part of the work of preparing food has been transferred to public amusement halls, factories, and bakeries. The home and women's sphere of activity are undergoing remarkable transformations.

From the viewpoint of economic science the entrance of women into the industrial activity outside the home must be considered favorably. "Women is half of mankind. Civil-

ization and progress have hitherto been carried forward by the male half alone. Labor and production are now suffering from the same cause. It is high time that all the forces of society were brought into action, and it is especially necessary that those vast complement forces which woman alone can wield be given free rein, and the whole machinery of society be set in full and harmonious operation."[1] In the long run the entrance of women into the factory and the store will increase the total volume of production and should allow a diminution in the length of the average working day. Many of the evil effects which are so obvious in the case of female wage earners are due to the unfavorable conditions which obtain in modern industry, and which adversely affect male as well as female workers, — the long working day, overdriving, and unhealthful or dangerous working environments. In the case of the married woman who is a wage earner, the burden of household duties still further complicates the situation. Up to the present time the percentage of such wage earners is small. In 1890, 4.6 per cent of the married women were wage earners; in 1900 the percentage was 5.6.

The problems connected with the work of women outside the home are complicated (1) by deep-seated prejudices, (2) by the danger of reducing the wages of men during the period of adjustment. The rush of women into wage-earning occupations affects the workers already in industry in very much the same manner as does the introduction of more labor-saving machinery. (3) The third complication applies only to mothers who are wage earners, and arises out of the necessity of giving proper training to children. The woman wage earner is not an abnormal woman. Idleness or the performance of useless forms of work are undesirable in the case of women as well as in the case of men. Useful and efficient activity is the birthright of all. The solution of the prob-

[1] Ward, *Dynamic Sociology*. Vol. 1: 657.

lems connected with woman labor is to be sought not in the removal of women from wage-earning pursuits, but in improving the working environment of the woman wage earner, and in reducing the length of her working day.[1] Labor problems are not sharply differentiated along sex lines.

Education of Women. During the period of adjustment to modified industrial conditions within the home the problem of the education of women presents many unusual features. While women are adjusting themselves to the requirements of city environments and of new industrial methods, their education must follow two somewhat distinct lines. Each young woman must be prepared to be a home maker in the old sense of the term, and she ought to be trained so that she may earn her own living. A woman should be competent to manage a household, she should understand the relative nutritive values of different foods, and be familiar with the elementary principles of household sanitation and of home decoration, and she ought to possess at least an elementary knowledge of the proper methods of feeding and caring for children. On the other hand, if our interpretation of the trend of industrial evolution be adequate, a woman should be trained, as should a man, for efficient service in some line of human endeavor. Women as well as men should be able to earn their own living outside the home. Many may dissent from the last proposition, but doubtless they appeal to the past in support of their contention. If women are to become permanent and efficient industrial workers, adequate opportunity should be given them to attain workmanlike proficiency in their chosen trade or occupation. In the immediate future it is not probable that all women will become wage earners, but it is probable that an increasing percentage will follow industry out of the home. On the other hand, training in domestic science and home economies are even more important

[1] Carlton, *Education and Industrial Evolution*, Chapters V and VI.

today than in the case of preceding generations, because the vigor and stamina of a race of city dwellers are in a large measure dependent upon proper diet, sufficient exercise, and adequate ventilation of homes, schools, and workshops. In the immediate future, therefore, the purpose of education for women must be twofold: preparation for industrial activity, and the preparation for housekeeping and home making.[1]

Domestic Service. The current of modern industrial progress has not modified in any considerable degree the work of the domestic servant; household industry is "belated." Many forms of work have gone outside the home, or may be performed outside the home in special workshops; but the methods actually used within the home are those of small-scale industry. The work of the servant is not highly specialized; she performs a variety of services. Instead of receiving all of her wage in money, as is the almost universal custom in the case of other workers except farm help, the domestic servant is still partially paid in kind. Her board and lodging are furnished by her employer. As yet, with comparatively few exceptions, her hours of work per day or per week are irregular. The demands which may be made upon a servant are less definitely determined than in the case of a factory or a store employee.

Domestic service seems to have developed directly out of serfdom. Roscher, the German economist, discusses domestic service as an appendix to his treatment of slavery. The habit of addressing servants by their first name, or by their last name as is the practice in England, is probably a survival of slavery and serfdom. The relations between mistress and servant still savor of the old feudal relations between master and serf. The characteristic marks of this relationship are the indefiniteness of the service required from the servant, and the deference which the servant is expected to show to the

[1] Carlton, *Education and Industrial Evolution*, pp. 118–119.

various members of the household. The isolation of the household servant from other workers and the social stigma attached to her work are other peculiar features of this form of wage earning. From the point of view of the workers the chief evils connected with the work of the domestic servant are three: the long and indefinite working day, the lack of home life, and the social stigma placed upon the domestic servant.

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CHAPTER XVI

PRISON LABOR

Systems of Prison Labor. In an investigation carried out under the direction of the United States Bureau of Labor in 1903–1904 a yearly average of practically eighty-six thousand inmates was found in the 296 institutions in which productive labor to the annual value of at least $1,000 was performed. Only 59.5 per cent. of the total number incarcerated were actually employed in productive labor; 24.9 per cent. were occupied with prison duties, and the remainder were sick or idle. At least six industrial systems are used in the prisons of the United States, — lease, contract, piece-price, public account, state-use, and public works and ways systems.

The lease system is a survival from the time before the modern idea of reformation was considered in the treatment of prisoners. It is a convenient and often profitable method of caring for prisoners. The state needs houses of detention only, not penitentiaries; and often the income from the hire of the convicts is not inconsiderable. The convicts are leased to contractors. The latter agree to feed, clothe, house, and guard the prisoners and keep them at work. The state surrenders its duty of disciplining and controlling the prisoners. A public function is delegated to private agencies. The lessee is interested in making a profit from the labor power of the convicts; the conditions under the lease system approximate those obtaining under a slave system. Reformation finds no place in this method of caring for prisoners. The lease system is a relic of barbarism; nothing can be said in its favor except that it saves the state certain expenses and allows

certain private contractors to increase their income. In 1906 the prison commission of Georgia reported that the net profits to the state from its leased convicts were approximately $355,000. The prisoners were used in saw-mills and brick-yards, on farms and in road building. "Some of the large fortunes in Atlanta have come chiefly from the labor of chain gangs of convicts leased from the state." In 1903–1904 only five states, Alabama, Georgia, Florida, Virginia and Wyoming, were disgraced by this system. Georgia abandoned the system in 1908. An additional evil in the lease system is found in the incentive to increase the number of arrests in order to increase the total profits that may be made from the prisoners.

The contract system is a modified and improved form of the lease system. The state feeds, clothes, houses, guards, and disciplines the prisoners. The work is performed within the prison walls. The contractor usually furnishes the machines and the raw material. He superintends the work, markets the product, and pays the state a stipulated sum for the labor of each convict. Various devices are utilized by contractors to stimulate the workers. In 1903–1904 the contract system was used in institutions located in 27 states.

Under this system the state need not invest in expensive machinery, and the warden is relieved of certain business cares connected with other systems of convict labor. On the other hand, the prisoners are under a divided control; and it is practically impossible to provide a variety of industries so that prisoners may be placed at the kind of work for which they are best adapted. Labor cannot be made reformatory or developmental when profits constitute the chief end and aim of the system. Wage earners and business men frequently object to this system of prison labor because of the danger of direct competition with free labor. The work of

the prisoners is usually concentrated upon a small number of products, thus increasing the competitive evils.

The piece-price system is similar to the contract system. The contractor pays the state a stipulated sum per article produced instead of per convict furnished. The prison officials dictate the amount of work to be performed per day by the prisoners, and usually supervise the work. The state practically agrees to convert the raw material of the contractor into finished articles for a stipulated sum. The state does not market any of the products.

In the public-account system the state becomes a manufacturer utilizing prison labor. The private contractor is eliminated, and all profits are turned into the treasury of the state. Under this system successful prison officials ought not only to understand the science of penology, but they ought also to possess business ability. The state must invest in expensive machinery, and must be prepared to meet changing market conditions. Considerations connected with profit making are likely to triumph over those concerned primarily with the welfare and reformation of the prisoners. The probability of undesirable competition with industry outside the prison walls is practically the same as in the contract or the piece-price system. The latter systems seem on the whole preferable to the public-account system. Institutions located in forty states were using this system in 1903–1904. Michigan has recently built a binder-twine plant in the state penitentiary at Jackson.

The state-use system eliminates direct competition between convict-made goods and the goods made outside the prison walls. All articles produced are utilized in the various state institutions. Of course, if the prisoners did not manufacture the supplies for the various state institutions, the necessary work would be performed by free workmen; but the competition is indirect. The representatives of organized labor are, as a rule, in favor of the state-use system.

The buildings of the federal prison at Fort Leavenworth, Kansas, were constructed by the prisoners. Some of the prisoners are used upon the prison farm, many in making bricks, others in constructing new buildings. Outdoor work is considered by the warden to have a very beneficial influence upon the physical, mental, and moral stamina of the prisoners. The State Tuberculosis Hospital of Georgia was erected almost entirely by convicts.

The Cleveland Farm Colony at Warrensville, Ohio, is located upon a tract of land 1,950 acres in area. On the farm are located the "correctional farm" (workhouse), the "farm colony" or poor farm, and a hospital for patients afflicted with tuberculosis. The farm is worked by the inmates of the correctional house and the home for the indigent. A stone quarry is also worked by inmates from the correctional institution. The farm furnishes vegetables, and the stone quarry stone and cement for various city institutions. Many convicts are employed upon a state farm in Georgia. "This system seeks to conserve three interests instead of two — the financial interest of the state, the general interest of the convict, and to at least an equal extent, the interest of free labor, which is ignored entirely in the lease, contract, and piece-price systems and to a great extent in the public-account system."[1] The state-use system cannot always furnish the variety of work which is desirable in order that prisoners may be given the work for which they are adapted; and the plants often cannot be worked to their fullest capacity, or in the most efficient and economical manner.

The public works and ways system is merely a modification of the state-use system. The prisoners are used to construct and repair public buildings, roads, parks, and the like. The construction of the buildings at the Fort Leavenworth prison is an example of the use of this system of prison labor. The

[1] *Twentieth Annual Report of Commissioner of Labor*, p. 19.

most customary application of the public works and ways system is in the construction of roads.

Should the Convict be a Producer? Manufacturers of the kinds of goods produced in prisons and members of labor organizations are almost a unit in their opposition to the lease, contract, piece-price, and public-account systems of prison labor. They point to the demoralizing effect of the competition of prison-made goods with articles produced by free labor. The tendency is to reduce the prices obtained for the particular kind of goods or at least to cause the market to become unsteady, to decrease the wages and, therefore, to lower the standard of living of the free workers. Such competition also, it is urged, tends to cause deterioration in the quality of the products made outside the prison. The manufacturers put a poorer article on the market in order to meet the competition of the prison-made articles. As has been stated, little opposition is manifested toward the state-use and the public works and ways systems.

Convict labor is marked by certain peculiarities which make it a menace to free labor. (1) It is a form of subsidized labor; the prisoner must be fed, clothed, and housed whether he works or lives in idleness. (2) The labor force is always available; it cannot strike, nor can an individual worker withdraw in order to accept another job. (3) Convict labor and the output of convict-made goods will be very slightly affected by periods of depression or of prosperity. (4) Convict labor is quite similar in many respects to slave labor. The motives which lead to industry are almost identical.

From the standpoint of society and from that of the taxpayer, it is desirable that prisoners be producers. Non-producers and idlers are social burdens whether inside or outside of prison walls. In so far as prisoners contribute through their labor to their own maintenance, the burden of taxation is reduced. Considerations of humanity and the

ideal of reformation require that prisoners be given regular and useful work. Idleness begets degeneracy. With a view of making it possible for the discharged prisoner to take his place in the ranks of useful free workers, some kind of trade instruction should be given at least to prisoners who have not reached the age of forty or forty-five years. Discharged prisoners ought to be prepared to earn their living. Therefore, the work given should be of such a character as will be useful outside the prison walls. At this point the principle of reformation often conflicts with the demand for financial gain. Teaching prisoners trades or certain forms of useful industry often reduces the total value of the prison's output below what a purely business administration would attain. Non-productive labor, such as twisting and untwisting ropes is degrading and mischievous in its effect upon the prisoner.

Conclusions. 1. All convicts should be given useful work to perform. This is urged on the double ground of economy and health. 2. All young prisoners, at least, ought to be taught some trade which will help them to earn an honest living after leaving the institution. In the federal prisons the use of machinery is prohibited. 3. Prison-made goods ought not to be placed on the market so as to come into injurious competition with free labor. 4. A national law prohibiting convict-made goods from entering into interstate commerce is desirable. Such an enactment would enable a state to improve its laws in regard to convict labor without meeting competition from the convict-made goods of other states.

Recent Progress. In 1915, the lease system was used in only one state, Florida; the contract system in 18 states; the piece-price system in four; the public account system in 19; the state use system in 35; and the public works and ways system in 27 states.[1] In 1918, Florida is reported

[1] "Convict Labor for Road Work," *Bulletin*, No. 414, *United States Department of Agriculture*, 1916.

to have received $350 per year for each convict leased to private contractors. Louisiana took a step backward in 1918 by repealing the law abolishing the lease system in that state; but, in 1917, North Carolina and Tennessee abolished the contract system. The lease, contract and piece-price systems are being gradually eliminated in the United States; and there is an increasing tendency to adopt systems in which the convict is employed entirely for the benefit of the state or municipality. The automobile license plates used in Ohio are made in the Ohio penitentiary at Columbus. Toledo, in 1917, began to utilize the inmates of the local workhouse to manufacture the soap used in the city schools, offices and departments. Within the last four or five years sentiment has rapidly crystallized in favor of using convicts in road building or in prison farms. It is suggested that prisoners be paid small wages for their work, that a portion of their earnings be given to the families normally dependent upon these convicts, and the remainder be held until they leave the prison. The family of a convict would receive something as a result of the efforts of the bread-winner and the discharged prisoner would have a little sum at his disposal.

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CHAPTER XVII

UNEMPLOYMENT

UNEMPLOYMENT is not purely a labor problem. In times of depression there are unemployed land and capital as well as an unemployed labor force. Maladjustments because of modified tastes and the eccentricities of fashion affect both capital and labor. To the average wage earner the irregularity of employment furnishes an ever-present source of anxiety. Unemployment is one of the important causes of poverty and of lack of thrift and foresight on the part of the wage-earning population. Periods of idleness are often demoralizing to the individual, and increase the amount of debauchery, crime, and industrial inefficiency. Casual and irregular employment is almost universally recognized by students of practical sociology "to involve deterioration in both the physique and character of those engaged in it."

Unemployment is a comprehensive term and is the result of a multitude of causes. Unemployment and vacation must first be differentiated. Vacation is a cessation from labor for the sake of rest and recuperation. Unemployment is caused by inability to work or to obtain employment. In certain border cases it is difficult to distinguish between a case of unemployment and of vacation. The building trades experience periods of slack work during the winter season. Since high wages are maintained in these trades, this period of idleness may be said to approximate in character a vacation. In the clothing industry the slack season, on the other hand, may be termed one of unemployment.[1]

[1] See *Report of the Industrial Commission*, Vol. 19: 749.

Causes of Unemployment. Many classifications of the causes of unemployment and of the varieties of the unemployed have been devised. For present purposes the causes of unemployment may be grouped under four general headings: personal, climatic, industrial, the ignorance and immobility of workers. Many persons are unemployed because of sundry reasons, such as youth, old age, sickness, accident, mental disability, intemperance, and degeneracy. The unemployable are unable or unwilling to give fairly efficient service. Changes in the season and in the condition of the weather affect the employment of various classes of wage earners, such as sailors, farm laborers, workers in the building trades, section hands on the railway, construction gangs upon the railways, canals, reservoirs, and the like. Workers in the clothing industry are affected by changes in demand due to weather conditions.

The industrial causes of unemployment are of particular interest to the student of labor problems. Strikes and lockouts cause unemployment at times in nearly all lines of industry. However, it must not be forgotten that a strike does not always increase unemployment; it frequently merely shifts the period of unemployment from one season of the year to another. The introduction and use of machinery and of improved methods or processes of manufacturing or of transporting goods affect the sum total of unemployment. The effect of the use of machinery upon the amount of unemployment may be considered from several different viewpoints. (1) Does the introduction of machinery temporarily displace workers? (2) Does such introduction permanently displace workers? (3) Has the introduction of machinery tended to produce cycles of prosperity and depression with the consequent irregularity of employment? (4) Has the introduction of machinery increased the over-driving of workers, thus causing them to be thrown out as unemployable while they should be in the prime of life?

The introduction of a new "labor saving" device or machine displaces many individual workers; and it frequently destroys the value of a trade. The introduction of machinery reduced, for example, the value of the shoemaker's trade. The invention of the linotype affected the value of the printers' trade. It is not easy for the men who have worked for years in one trade to adjust themselves to new conditions when the demand for their skill is suddenly destroyed by the invention of a machine which does the work formerly required of them. Eventually the demand for workers may be increased as the result of introduction of machinery; but immediately many individuals lose good jobs because the machine is ready to do their work. They are thrown out of employment, or they are obliged to accept an inferior job at lower wages. For a time, in the "short run," many wage earners are undoubtedly adversely affected as a result of the introduction of machinery. It is not comforting to tell the man who is jobless, or whose income is reduced so that his standard of living must be lowered, or whose wife and children must become wage earners, that in the "long run" and for the great mass of workers these "newfangled" machines will be beneficial. Perhaps for him there will be no long run. A profound philosophy of world progress and of human betterment does not appeal to the man with a family dependent upon his daily earnings when he faces the prospect of having his skill and training rendered unmarketable.

It has been suggested that society should compensate workers for the loss of a trade. The principle of vested interests is applied to the skill and knowledge possessed by the master of a skilled trade. "By the Doctrine of Vested Interests we mean the assumption that the wages and other conditions of employment hitherto enjoyed by any section of workmen ought under no circumstances to be interfered with for the worse."[1]

[1] Webb, *Industrial Democracy*, p. 562, 1902 edition.

The various struggles on the part of organized and unorganized labor against the introduction of machinery have implied the tacit acceptance of this doctrine, although the precipitating cause was an unreasoning hatred of the inanimate machine which was reaching out for the workers' jobs and apparently taking away their bread and butter. The well organized printers, it will be recalled, met the menace of the linotype by insisting that only skilled printers should operate the machine. The adjustment within the industry was thus made without serious injury to the skilled men in the trade.

The American economists Hadley and Wright are convinced that machinery has caused an "expansion" of labor which is greater than the "displacement" caused by its introduction. Hobson, the well known English economist, after a study of statistics of English industries, is less optimistic. Hobson is driven to the conclusion "that the net influence of machinery is to diminish employment so far as those industries are concerned into which machinery directly enters, and to increase slightly the demand in those industries which machinery affects but slightly or indirectly." [1]

Machine industries furnish a standardized product for which the demand is large and relatively stable. If the effect of the introduction of machinery is to drive relatively larger numbers of wage earners into the industries using little machinery, the tendency "is to drive ever and ever larger numbers of workers from the less to the more unsteady employments." Thus argues Hobson. Again, it has been asserted that panics and industrial depressions are to be attributed in a large measure to the introduction of machinery. In all panics, however, other factors enter. The severe crises of 1837 and 1873 were preceded by wide-spread speculation. Land values increased

[1] *Evolution of Modern Capitalism*, pp. 234–235; also see *Political Science Quarterly*, Vol. 8 : 97.

enormously; vast sums were spent in canals and railways without a reasonable expectation of a fair return upon the investment in the near future. In the past, irregularity of operations in the industries utilizing much machinery may have been due to the lack of centralized control of industry; with the development of the trust and the integration of industry these irregularities may be expected to disappear or to be minimized. No definite and entirely satisfactory answer can be given to the second and third questions in regard to the influence of machinery upon employment.

The charge that industry is increasing unemployment by throwing workers of middle age upon the industrial scrap-heap is a serious indictment. With the introduction of machinery the length of the working day has been somewhat reduced, but the speed of the worker has been increased and the strain intensified. Division of labor and the systematization of industry have reduced the importance of the individual wage earner. The unskilled worker is merely a link in the chain. The individuality of the link is of little moment. The units may change frequently without disturbing the progress of the work. This peculiarity of modern industry, coupled with the fact that the human scrap-heap of an industrial establishment is not a burden upon the industry, has led the managers of many factories and mines to wear out rapidly the lives of their workers, and to discard them soon after they have passed the period of maximum physical vigor. This policy seems advantageous to the employer; but the evils from the standpoint of the wage earners, as well as from that of the community in which the workers live, are obvious. This phenomenon, however, is not entirely of recent origin. Adam Smith in his *Wealth of Nations* makes this significant statement: "workmen . . . when they are liberally paid by the piece are very apt to overwork themselves, and to ruin their health and constitution in a few years. A carpenter

in London, and in some other places, is not supposed to last in his utmost vigor above eight years."

Statistics of Unemployment and of Irregularity of Employment. Adequate statistics of unemployment are not available. Unemployment is an ever-present phenomenon; but the amount varies greatly from month to month and from year to year. Fairly accurate statistics of unemployment among the organized workers of the State of New York are available. The smallest percentage of unemployed among the trade unionists of New York at the end of any month during the period 1904 to 1909 inclusive, was 5.6. At the end of October, 1905, only 56 out of every 1,000 trade unionists were idle; but at the end of February and at the end of March, 1908, 375 out of every 1,000 were idle. October, 1905, was a favorable month in a prosperous year. February and March, 1908, were unfavorable months in a year of financial depression. Within two years the mean percentage of unemployment fluctuated from 9.3 to 29.7 among the organized laborers of the state. From 1909 to 1917, the smallest percentage of unemployment, approximately 5.5, was registered in October, 1912, and the largest percentage, approximately 40, in December, 1913, and January, 1915. It is not unreasonable to infer (1) that the fluctuation in percentage of unemployment among the unskilled and unorganized must have been greater; and (2) that the actual percentage of unemployed in both years was probably larger among the unorganized workers of New York. Organized workers, however, include certain workers especially liable to unemployment, for example, the building trades and the clothing industry. The situation is certainly alarming when approximately two out of every five organized workers of a great state are unemployed as was the situation in New York in February and March, 1908, December, 1913, and January, 1915. An estimate that one-half of the unskilled workers of New York were out of a job

in the spring of 1908 is by no means extravagant. In the State of Massachusetts, statistics regarding the employment of organized workers are also gathered. The percentages are given for each period of three months. During the ten-year period, 1909–1918, the lowest percentage of unemployment was reported as three for the quarter ending June 29, 1918, and the highest as 18.3 for the quarter ending December 31, 1914. The figures for different years are not strictly comparable because of shifting membership of the unions reporting. In the *Report* of the Commission on Industrial Relations (1915) it was estimated that "wage earners in the principal manufacturing and mining industries in the United States lose on the average from one-fifth to one-fourth of the working time during the normal year."

The causes of unemployment among organized workers of Massachusetts and New York are tabulated in the two succeeding tables. It should be observed that lack of work is an important factor in causing unemployment in both states.

Massachusetts

Causes of Idleness on December 31, 1918	*Number Idle*	*Percentage of Membership Idle*
Lack of Work or Material	11,629	5.3
Unfavorable Weather	429	0.2
Strikes or Lockouts	2,249	1.0
Disability (Accident, Sickness, Old Age)	5,405	2.4
Other Causes including Shut-downs, Vacations, Stock-taking, etc.	1,269	0.6
Total	20,981	9.5

New York

Causes of Idleness on Sept. 30, 1909	*Number Idle*	*Percentage Idle*
Lack of Work	27,225	
Lack of Stock	2,517	
Weather	894	
Labor Disputes	2,867	
Disability	3,000	
Other Reasons or Reasons not Stated	465	
Total	36,968	10.3

Among the employed considerable time is lost during a month or a year. Referring again to New York during the three months of July, August, and September, 1909, 319,754 organized male workers were reported as employed. Of this number 4,289 were employed from one to twenty-nine days; 43,891 from thirty to fifty-nine days; 211,593 from sixty to seventy-nine days; and 59,981, eighty days or more. The average per individual was seventy-two days. Deducting Sundays and two holidays, the normal number of working days for the quarter would be seventy-seven. The coal mining industry furnishes an example of great irregularity of employment. In the bituminous coal mines the number of days of employment for miners, from 1890 to 1900 inclusive, ranged from 171 in 1894 to 234 in 1899 and 1900. In the anthracite field the variation was from 150 in 1897 to 203 in 1891. In one of the large packing houses in the Chicago stock yards an investigation found that in the period from June 24, 1905, to June 6, 1906, the average number of hours worked per week by the cattle butchers varied from a minimum of 27 hours to a maximum of 52 hours, or from an average of four and one-half hours per day to eight and two-thirds hours.

The percentage of idleness among organized workers in the clothing trades in New York State fluctuated from approximately two per cent in September, 1912, to eighty per cent in March, 1913. In the building trades in the same state, the percentage among organized workers was reported to be ten in the summer of 1912 and fifty-two in April, 1915. The United States Commissioner of Labor Statistics estimated that out of 2,445,000 wage earners in New York City, 398,000, or over sixteen per cent, were totally out of work in February, 1915, and 164,000, or less than seven per cent, in September, 1915. The federal Bureau of Labor Statistics tabulated reports showing the volume of employment in thirteen manufacturing industries

in January, 1920, as compared with January, 1919. In two industries increases in the number of persons employed amounting to 54.2 and 51 per cent respectively were recorded; in a third a decrease of 24.9 was shown.[1] In order to obtain the full significance of these cold figures of unemployment and of irregularity of employment, the reader should try to translate them into terms of home life, and human weal and woe; an attempt should be made to visualize the demoralization, decreased efficiency and social waste consequent upon the jerky method of doing business which has been so characteristic of American industry in recent decades. Unemployment and irregularity of employment are important factors in the feeling of "economic insecurity" which oppresses many a family in the wage-earning group.

How may Unemployment be Reduced? When considerable numbers of men who are able and willing to work in order to support themselves and families are unable to find employment, a condition of maladjustment exists in the industrial mechanism which is of serious import to all members of the community and of the nation. The prevention of unemployment in the case of the normal individual is one of the vital social and economic problems of modern times. In sharp contrast with the large number of the out-of-work may be placed the multitude of the overworked. A solution of the problem of the unemployed will involve an adjustment or a division of work between the over- and the under-worked. It will deal with the improvement of the underfed, the badly housed, and the poorly educated workers. The attempt to solve the problem of the unemployed will lead to a careful consideration of questions of taxation, currency, special privileges, property rights, ownership of land and of natural resources, immigration, and industrial management.

[1] *Course of Employment in New York State from 1904 to 1916.* Bulletin of the Industrial Commission; and *Monthly Labor Review*, March, 1920, p. 146.

Many schemes have been formulated for the purpose of reducing the amount of unemployment. A few of these proposals will be briefly considered. (1) The amount of unemployment because of sickness and ill-health could be measurably reduced by legislation in regard to sanitary conditions in workshops, factories, and dwelling houses, and by the education of the general public in regard to the danger to the individual of a lack of proper ventilation, of carelessness in the disposal of wastes, of a badly selected diet, of improperly prepared food, and so on through a long list. The introduction of domestic science into the public schools is a step in the right direction. The amount of drunkenness and debauchery and, therefore, of unemployment, is increased because the ordinary rules of right living in regard to diet, fresh air, and disposal of wastes are not followed. Under modern conditions these matters are as much social as individual. The sanitary conditions of the factory in which the wage earner works and of the tenement in which he and his family live, and the purity of the food they eat and the milk and water they drink are in no small measure beyond the control of the individual most directly concerned. It has been estimated that the average individual in the United States is seriously ill thirteen days in each and every year; or that about 3,000,000 persons are sick on any given day.[1]

(2) The reduction of rapid and senseless changes in demand at the behest of fashion would eliminate much of the irregularity in certain industries. A campaign of education, however, would face almost insurmountable obstacles.

(3) The general introduction of industrial education into the public schools will increase the skill and mobility of future wage earners, thus enabling them to shift more readily from one occupation to another. The adaptable man is needed.

[1] Irving Fisher, *National Vitality*. Senate Document No. 676. Sixtieth Congress, First Session, p. 656.

This desired end might be partially accomplished by teaching each individual two allied trades. The "double-barreled man" will have two chances to get a job to one on the part of the man with one trade; and the former will be able more readily to adapt himself to changes in industrial conditions.

(4) A practical method of reducing the volume of unemployment during a period of depression is to hasten the improvement of roads, streets, and public parks, to build public buildings and to push work upon various desirable public improvements. The work can be performed, as a rule, cheaply at this time, and the expenditures for charitable relief will also be reduced. During the panic of 1908 several municipalities used this method of furnishing employment. The Socialist party placed the following demand in their 1908 platform: "The immediate government relief for unemployed workers by building schools, by the reforesting of cut-over and waste lands, by reclamation of arid tracts, and the building of canals, and by extending all other useful public works." In the fall of 1909 the English Parliament passed a "development bill" which provided that certain public works be undertaken. The work is to be done chiefly when work is slack in the business world. An Idaho law of 1915 authorizes and requires county commissioners to provide emergency employment on public highways or elsewhere.

(5) The growth of large business combinations, accompanied by the disappearance of fierce competition within particular industrial groups and the increase of governmental and municipal regulation of industry, will reduce the fluctuations in the demand for labor. Labor unions sometimes demand that part time be worked with a full force instead of discharging a portion of the force and operating full time. With the enlargement of the business unit and the knitting together of different classes of businesses, the opportunity to dovetail industries will increase, thus reducing the seasonal

oscillation in the demand for labor. Many sailors and longshoremen on the Great Lakes find work in the logging camps during the winter. In Oregon, during the slack season, many factory workers and their families go into the country to pick hops.

(6) The unemployment which is caused by the early discharge of the overdriven wage earner will be reduced by the general introduction of an adequate system of workingmen's insurance.

(7) The single taxers and the socialists enthusiastically present their panaceas for unemployment.

(8) Unemployment and under-employment are no longer considered merely as problems to be assigned for solution to students of philanthropy. Unemployment and irregular employment are being recognized as important problems in industrial management. Consequently, emphasis is being placed upon the establishment of a well-organized and widespread system of employment agencies and upon the work of employment managers in industrial plants. Abnormal war problems and the drying up of the stream of immigration have doubtless hastened the acceptance of this new point of view. As long as considerable groups of unemployed gathered each morning outside the factory doors, employers did not consider the problem of stabilizing industry and of reducing labor turnover to be a job which business men should tackle. The unemployed problem was left in the hands of social workers. But the war period with its relative scarcity of workers has temporarily given impetus to the study of employment problems as integral parts of industrial management. If the analysis made in preceding chapters of scientific management, the human element in industry, and the shop committee, be accurate, it is not unreasonable to anticipate continued keen interest in the matter of unemployment in business circles.

In the past employers as well as unemployed wage earners were often ignorant of the conditions of the labor market. Efficient employment agencies aid in bringing together the employer looking for workers, and the worker looking for a job. The employment agency cannot create opportunities for employment; but it can aid in getting the unemployed a job when vacancies exist. If attemps were made to send workers from one locality to another, an efficient system of employment agencies might meet with some opposition from organized labor. The unions in the places to which workmen were sent might object because the local supply of labor would be increased. Agriculture is, however, the chief occupation which is calling for the transfer of men from one locality to another. The method of going aimlessly from shop to shop and from town to town seeking a job is wasteful, disheartening, and frequently degrading and demoralizing; and it often affords a favorable opportunity for the employer to nibble at the wage scale. It is unsystematic and should be replaced by efficient employment bureaus which gather statistics and information as to the demand for and supply of workers in different trades and in different sections of the country. A model employment agency should reduce maladjustment. Iron and steel, wheat, wool, stocks and bonds, — all have known market places; but the demand and supply of labor is still equated by the pack-peddler method. A model employment bureau should in a large measure relieve the employer of "the task of trying out new hands." Most employment agencies are not good sales agencies. Their managers do not "know its merchandise." Employers distrust employment agencies because the recommendation of the agency is usually based upon insufficient knowledge of the ability and record of the person recommended. The young boy or girl leaving school should find an agency of assistance. Many leave school to enter occupations which

pay relatively high wages at first, but which afford slight opportunity for advancement. Of those applying for assisttance under the English Unemployed Workman Act "no less than twenty-eight per cent are between twenty and thirty years of age." The employment bureau should also aid the young in the selection of proper vocations. The personal characteristics of the applicant and the opportunities in a given occupation should be given careful consideration.

Employment agencies are of two general types: — private and public. These in turn may be subdivided. Private agencies are of at least four kinds: — (*a*) fee-charging; (*b*) operated for philanthropic reasons; (*c*) conducted by associations of employers; and (*d*) conducted by labor organizations. Public agencies are municipal, state or federal, or some combination of the three types. The evils of the private fee-charging agency are many. Too many of the agencies are operated chiefly for the purpose of defrauding the wage worker seeking a job. Such agencies are interested in filling vacancies. They do not desire to aid in reducing the amount of unemployment or in the upbuilding of a stable labor force. From the point of view of the managers of these agencies a large labor turnover is desirable. The Reconstruction Program (1919) of the American Federation of Labor demanded the abolition of operated-for-profit employment agencies. The federal Commission on Industrial Relations found that the private employment agency "business as a whole reeks with fraud, extortion and flagrant abuses of every kind." Approximately one-half of the states have passed laws regulating the private fee-charging agency; but the laws have failed to check the abuses. In 1914, Washington enacted a law by popular vote making it unlawful for a private employment agency to charge a fee to persons looking for work. This act was declared unconstitutional

in 1917 by the federal Supreme Court. The decision was by a five to four vote.

The philanthropic agencies, such as those operated by charity societies, have been numerous. As a part of the mechanism of a charity society, these agencies have helped certain individuals; but as a factor in the development of an adequate labor market, they are negligible. The employers' employment agencies are feared by wage workers because they may be used as a big black-listing instrumentality; and employers are inclined to look with suspicion upon the union agency. The legitimate purposes of such agencies could be performed by a well-organized system of public agencies. The operation of a nation-wide and well-organized system of employment agencies is certainly as legitimately the function of the government as is a weather bureau or a geological survey.

The first free state employment agencies were established in Ohio in 1890; but there was little demand for them. Organized labor favored the opening of these offices; but employers were indifferent. The success of these agencies was not notable. The United Kingdom inaugurated a system of labor exchanges in February, 1910. In 1917, twenty states had one or more employment offices under the partial or complete control of state officials. In addition certain municipalities had established offices. The total number of offices established was 96.

Federal employment work began in a tentative fashion in 1907. The chief aim was to aid in the distribution of immigrants. The act establishing the Department of Labor recited that one of the purposes of the new Department was to be to advance "opportunities for profitable employment." When the Great War opened in August, 1914, the stream of immigration was greatly reduced and at the same time industry was temporarily disorganized and the amount of

unemployment was not small. The Commissioner-General of Immigration decided to utilize the Immigration Service to gather information as to actual vacancies and to give wide publicity to such information. The coöperation of the Post Office Department was secured. After the United States became involved in the War, a well-knit organization was worked out. The city and state offices had not been knit together into a well coördinated system. A new governmental agency, the United States Employment Service, was organized to take over the work which had been carried on by the Immigration Service.

Granting that employment agencies for wage workers should be managed exclusively by governmental authority, two plans are feasible: — the agencies may be placed under the direct control of the federal government, or the agencies may be placed under the guidance of state or local officials coöperating with federal authorities. The essence of the second plan "is federal-state-municipal coöperation, held together by federal subsidies." The advocates of the first plan point out that it would have the advantage of centralization of control with resultant economies and uniformities of regulations, that the personnel would be superior under federal control, and that job seekers would have greater confidence in a federal than in a decentralized system.[1] On the other hand, it is argued that employment is a local problem. The prime purpose of an employment agency should be to place workers in local establishments. Managers of employment agencies, it is held, should have an intimate knowledge of the local situation. "The ideal system would seem to be one in which the control and direction of the service rests in the federal government, and federal funds bear much of the expense; but in which through a substantial contribution to the cost of service, and participation

[1] Barnett, *American Economic Review, Supplement*, March, 1918.

in the management of the service, the local viewpoint is emphasized and given proper weight." [1] A joint advisory committee in each locality composed of representatives of unions and of employers, may be desirable.

(9) A new departure in business organization is the establishment of personnel or employment departments. This step signifies that employers are becoming convinced that the hiring and discharging of workers is an important part of industrial management. It heralds the passing of the leadership of the old-fashioned employers who clung tenaciously to the "drive" policy of managing a factory, who insisted that their plants could be "run with proper discipline only when there are hungry men at the gate waiting to take the jobs of the unruly or too aspiring." The rise of the shop committee and the installation of departments of employment management are promising signs of a new era in industrial management. The duties of an employment manager are many and varied. 1. He should hire all shop employees, superintend transfers of workers from one department to another, and approve all discharges. The right of hiring, discharging and disciplining is taken very largely out of the control of the foremen. One potent cause of large labor turnovers and friction has been the petty tyrannies of foremen. 2. The employment manager should study the causes of labor turnover and absenteeism, and should be prepared to formulate plans for the reduction of labor turnover and for the stimulation of regularity. Labor turnover is an "intangible overhead cost." It was estimated in 1919 that the average turnover in all sorts of factories has been not far from one hundred per cent — that is, the number of terminations in a year equalled the average working force of the plant.[2] The significance of this "overhead expense" is

[1] Lescohier, *The Labor Market*, pp. 215–216.

[2] Slichter, *The Turnover of Factory Labor.*

clear since estimates of the cost of hiring and "breaking in" a new employee range from $25.00 to $100.00. 3. The adjustment of grievances is one of the more important duties of the employment manager. He should be easily accessible and should have sufficient authority to be in a position to act quickly. A capable employment manager should free shop committees quite largely from the necessity of considering grievances. These committees would then be at liberty to turn their attention to improved production methods and positive programs for shop betterment. 4. The employment manager should assist in determining the rates and methods of wage payment. 5. He should also recommend changes in working conditions which will reduce fatigue and the number of accidents, and will improve the health and spirit of the working force.[1]

The Right to a Job. Does an individual have a right to a job? Does the right to live and to have liberty imply the right to have an opportunity to earn a living? Even if the individual is denied such rights as an individual, the right to a job is entitled to a hearing on the ground of social expediency. Particularly is this true in a country favored with a democratic form of government and an efficient industrial system. Surely the conservation of the rights to life, liberty, and the pursuit of happiness is difficult unless the right to have an opportunity to earn a living is conceded. The practical difficulties to be overcome in successfully carrying out a policy of guaranteeing to every able-bodied worker an opportunity to earn the minimum amount necessary for subsistence are many; but the problem is being forced upon modern society. Under a primitive economy, when conditions were normal, demand was always accompanied by an opportunity to make a direct effort to obtain satisfaction. Our present complex economic

[1] Fisher and Jones, *Employment Management.* Bulletin, No. 50, issued by the Federal Board of Vocational Education, January, 1920.

system gives this privilege to only a fraction of the community. In order to satisfy wants, the majority must obtain work of some other individual — from an employer. An individual, in order to satisfy his wants, must find an employer who is willing to give him a job. The establishment of a legal right to work would make the wage earner less dependent upon the private employer.[1] The policy of furnishing work upon various public improvements during a period of depression constitutes a step in that direction. If the legal right to an opportunity to work were recognized, involuntary poverty would in a large measure disappear; and the vagrant, the vagabond, and the seeker after charity would be obliged to prove that they were unable to work.

Unemployment Insurance. Unemployment insurance is not a direct method of reducing the amount of unemployment. It should serve two purposes: (*a*) alleviate the suffering and reduce the economic insecurity consequent upon unemployment and irregularity of employment; (*b*) furnish a potent incentive to adopt industrial programs which will reduce labor turnover and tend to eliminate the "jerky" methods of conducting business enterprises. Unemployment is a risk which recurs with sufficient regularity to make it an insurable form of risk. The difficulty lies in the lack of a simple and workable test of unemployment. Too many individuals would prefer idleness with small insurance to work and a larger income. The moral hazard in unemployment insurance is not small. Certain practical difficulties are hard to overcome. What shall be the attitude in case of unemployment due to strikes or toward putting insured unemployed into the places of strikers? Shall an unemployed man who is, for example, a skilled man be debarred from receiving unemployment insurance if he refuses to take a job as an

[1] See the writer's *Education and Industrial Evolution*, pp. 291–294.

unskilled worker? One of the first essentials in the inauguration of a system of unemployment insurance is the organization of a network of efficient and coöperating employment agencies.

Voluntary unemployment insurance with a public subsidy has been tried in certain municipalities of Continental Europe. The City of Ghent had a very successful system in operation before the War. The only example of a national system is found in Great Britain. The British system is compulsory; but it only covers certain trades in which unemployment was quite serious at the time of the passage of the act — 1911. About one-sixth of the workingmen of Great Britain are covered by the act. The law requires a uniform weekly deduction from the wages of each insured worker, a like payment by the employer, and a subsidy from the government. Small cash benefits are paid for a period not to exceed fifteen weeks in any one year. The worker in order to receive unemployment benefits must prove "employability," be unsuccessful in finding suitable employment, and present himself each day at a public employment agency. Benefits are not paid to strikers, to workers who quit work without due cause, or to those discharged because of inefficiency or bad conduct. Rebates are paid to employers who keep their labor force continuously on the payroll; a refund is also paid to insured workmen who have made five hundred weekly payments into the insurance fund and who have reached the age of sixty years. These provisions give a direct incentive toward regularizing work.[1]

The "dismissal wage" is a proposal which bears a certain resemblance to unemployment insurance. Under this scheme an employer discharging an employee because of lack of work would be required to pay wages for, say, two weeks after dis-

[1] Foerster, *Quarterly Journal of Economics*, February, 1912; Seager, *American Labor Legislation Review*, May, 1914; Commons and Andrews, *Principles of Labor Legislation*, pp. 409–414.

charge. In case of sickness, a strike or a lockout, the worker concerned should be considered as still a part of the labor force. After the strike or lockout ended, the worker would be entitled to a dismissal wage only in case the firm refused to reëmploy him under the conditions specified in the terms of settlement. Supervision by public authorities would be necessary to carry out equitably the provisions of the law.[1]

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CHAPTER XVIII

INDUSTRIAL AND TRADE EDUCATION

The Training of Apprentices. Originally apprenticeship rules applied alike to the trades and to the so-called learned professions. Although concealed under new names, these have been adhered to quite rigidly down to the present time in the professions. With some exceptions, the division seems to have been made according to the character of the product. If the product of the trade or profession is material, apprenticeship rules have gradually been changed, and, in a large measure, have become obsolete. If the product of the trade or profession is immaterial, the rules have been successfully upheld by the gild of the profession and legalized by appropriate legislation. The old apprenticeship system reaches back to the time of Queen Elizabeth. During her reign it was enacted that no person should exercise any trade or "mystery" without serving an apprenticeship of seven years. The apprentice was indentured to a master for that period. The apprentice lived in the home of the master as a member of his family. The master became the guardian of the boy. He was responsible for the physical well-being and the intellectual, moral, and manual training of the apprentice.

As long as the handicraft system prevailed, the old apprenticeship system served its purpose fairly well, although doubtless many boys were not properly taught and were exploited in the interests of their masters. With the industrial revolution and the introduction of machinery came the decadence of the system of apprenticeship. By 1864 the old apprenticeship system was practically only a matter of history. In the

decade of the sixties the attitude of the wage earners has been summarized somewhat as follows: (1) The period of apprenticeship should be fixed at not less than five years. (2) The number of apprentices in a trade should be limited. "The unanimous feeling among mechanics was that the cause of low wages, lack of work, and powerlessness of workers to withstand oppression by employers was due to an excessive number of workers in the various skilled trades, and that the outlook for the future was getting increasingly darker because of the continual pouring in of more boys." (3) The apprentice should be more thoroughly trained. The complaint was made that the employer was teaching the apprentice only a fraction of his trade. (4) A legal system of indenture somewhat modified from that of the old and outgrown system was advocated.[1] The modern system of training apprentices is the fruitage of the period since the close of the Civil War era.

Two very important reasons may be given for the evolution of a new system of training apprentices. (*a*) The introduction of machinery and the subdivision of labor have made the training of the apprentices a burden.[2] (*b*) The introduction of accurate quantitative and qualitative methods of measurement into all industrial processes, and the use of the blueprint and of interchangeable parts, have made a knowledge of the rudimentary principles of mathematics, physics, and mechanics essential to the training of a skilled workman. The new system of training apprentices coördinates shop and school training. The old apprenticeship system is dead; but a new form is being evolved. The training of the apprentice now involves the whole problem of trade and industrial education. Dr. Wright came to the conclusion that "the

[1] Wright, *Bulletin of United States Bureau of Education.* Whole No. 389, p. 16, 1908.

[2] Discussed in the section on apprentices in Chapter VI.

apprenticeship system is a power to be reckoned with"; he declared it to be found in all parts of the United States. However, the shop or the store no longer furnishes adequate training for efficient mastery of a trade or calling. The school in some form is essential in the training of those who are to carry on the industrial work of the immediate future. The trade or vocational school or the training course is the modern substitute for the apprenticeship system; or more accurately, it is now an integral feature of an apprenticeship system.

Although the methods employed in training apprentices vary considerably in different shops, at least two general types may be discerned. In the first type, the shop and the school training are both carried on directly under the control of the employing company. In the second, a certain amount of school training is required or expected of apprentices outside of working hours; but the apprentices attend public schools or private schools not under the immediate supervision of the officials of the company. The systems of the General Electric Company at Fort Wayne, Indiana, and of the New York Central lines are excellent examples of the first type. The second type of training depends upon schools giving vocational instruction.

The General Electric Company at its Fort Wayne plants conducts three forms of specialized training courses. First, an apprentice school for machinists and toolmakers has been established. "In this school selected applicants are given a short preliminary course to see if they are likely to develop into efficient workmen. Those who pass this preliminary course sign a contract for four years (the time required for the completion of the course), during which the men are given one and one-quarter hours' daily instruction in such subjects as drafting, mathematics, and business English. The other hours of the day are spent at the machine or bench,

where they are under the direction of experienced instructors. These apprentice students are paid a fair and graded rate during the entire time, and at the end of the course are given a bonus if they pass their school examinations, and still a second bonus if they pass their mechanical examinations. It takes no stretch of imagination to realize that men so trained in an atmosphere of intelligence and advancement cannot fail to become the finest grade of high-class mechanics, foremen, and leaders." [1] The second type of training course is for graduate engineers. The aim is to familiarize them with the particular problems of the plant. The third is called "intensive specialized courses." It has been found "profitable to give an intensive training course in drafting for women, who, on completion of the course, are transferred to regular drafting work in the engineering and drafting departments. Women clerks in the factory also are given the advantage of special courses in blue-print reading and factory routine, which familiarizes them with the product and systems to the extent that they can readily grasp situations and intelligently carry on the work."

For a decade or more the engineering department of the University of Cincinnati has conducted "coöperative courses" in mechanical, electrical and chemical engineering. The work is so planned that students are engaged alternately in the engineering college and in the shops of some manufacturing plant in the city. One section of the class is in college while the other is at work in the shop. In this way the manufacturers have at all times a full force of apprentices. Six years are required to complete the course. The entrance requirements are the same as in the case of the regular students.

Many railways and a considerable number of manufacturing plants have definite training courses for apprentices and other employees. While the American railways were under

[1] *Training Bulletin, No. 6.* United States Training Service.

the control of the United States Railroad Administration further steps were taken looking toward the establishment of part-time training schools for apprentices. The Industrial Commission of Wisconsin is authorized by law to supervise the indenturing, training and schooling of apprentices in that state.

In certain trades or occupations in which the safety, health, and general welfare of the workers or of the general public are quite directly dependent upon the efficiency and skill of the operators, the government, acting under the police power of the state, has passed laws regulating and restricting employment, and requiring that these trades shall not be practised except by properly qualified persons. The federal government and about three-fourths of the states have enacted laws requiring the examination and licensing of persons practising various trades. Among the occupations are those of barbers, horseshoers, plumbers, stationary firemen and engineers, steam and street railway employees, and certain classes of mine workers. These requirements, which possibly grow out of the decay of the apprenticeship system, increase the demand for school training. In some respects this tendency appears to be a recrudescence of the old method of granting a monopoly to those who have attained a certain proficiency. If the state establishes a minimum requirement for entrance into certain trades, it is certainly the duty of the public school authorities to offer adequate opportunities for obtaining the legally requisite knowledge and training.

Vocational Education. The great importance of vocational education is now appreciated by nearly all classes of people. "The universal interest in this subject warrants the conclusion that its proper solution is of paramount importance to the welfare of the Nation, in order to establish that kind of education which will enable the boys and girls of the United States to enter upon their industrial life properly equipped

to make their lives a success."[1] Vocational education is as much a part of public education as is any portion of the traditional curriculum. Boys and girls forced into industry at an early age should be given the opportunity to obtain the sort of instruction which will make them trained workers in their chosen trade or occupation. The public school system in a democracy should prepare workers for all the walks and duties of life. Public industrial schools may, indeed, prove to be "the twentieth century substitute for free land." If the government was justified in donating a homestead to the actual settler, surely it is now justified in offering free of tuition, a good, practical training of mind, body, and hands, in offering to prepare the youth of all classes for lives of useful endeavor. A fundamental difficulty in connection with trade instruction is "found in the great diversity of trades, each of which would require a separate school" or at least many separate classes. However, certain elements of likeness can be found underlying many apparently dissimilar trades.

The Federal vocational Education Act of 1917 is a token of the growing interest in vocational education. Under this act the federal government undertakes to stimulate through subsidies the development of schools teaching vocational subjects. The acceptance of federal grants by a state imposes certain obligations in regard to the scope and character of the vocational training provided. Federal funds are only granted to public institutions. Under the law three kinds of vocational education may exist: — all-day schools, part-time schools, and evening classes. "Part-time instruction is intended for employed minors over 14 years of age. It may be a trade-extension course which is merely supplemental to the trade or industrial pursuit in which the minor is employed; it may be a preparation for a trade entirely different from the one in which he is earning a living;

[1] *Report of Commission on Industrial Relations* (1916), p. 255.

or it may be of a general character suited to the development of the civic and vocational intelligence of the young worker. In any case these schools and classes must be operated for at least 144 hours every year during the hours of regular employment. The instruction in the trade courses may consist of actual experience in the shop, of theory related to the processes taught, or of both so arranged as to divide the time between the two."[1] In some states the time spent in attendance at a part-time school is construed to be a part of a minor's lawful employment, and wages are received for school attendance.

An interesting experiment in vocational training is being tried in the public schools of Little Rock, Arkansas. The typographical union is coöperating with the school authorities. An agreement has been drawn up providing for the employment of boys as part-time apprentices in the printing shops of the city. The student-apprentice attends school for five half-days each week and works six half-days. A ratio of apprentices to journeymen of one to five is maintained. An advisory committee consisting of two members of the typographical union, two employing printers, and the superintendent of schools, has been organized for the purpose of coöperating with the school authorities.[2] A "Trade Union College" was opened in 1919 by the Boston Central Labor Union. The work is offered at night in such subjects as English, economics, government, law and physics.

In several cities tentative schemes looking toward vocational guidance have been evolved. Vocational guidance should not be considered as a means of choosing an occupation or of finding a place for a school boy or girl. The aim should be to lead the young people and their parents to consider the matter, to ascertain the tastes and capacities of the individual,

[1] *Monthly Labor Review*, April, 1920, p. 135.
[2] *Monthly Labor Review*, November, 1919, p. 224.

to obtain data as to the prospects in various trades or occupations, and to aid in taking the necessary steps in obtaining adequate preparation.

Industrial Education. Manual training was first introduced into our high schools and has gradually worked its way downward into the grades. The purpose of manual training, as such, is pedagogical rather than vocational; but the introduction of this work into the ward and high schools of our cities provides an excellent foundation for vocational training. The first American manual high training school was opened in St. Louis in 1881. A more recent development is the "technical high school." The technical high school emphasizes vocational training in a much larger measure than does the manual training high school. Its distinct purpose is the preparation of "its pupils for industrial leadership, — that is, for positions in industrial life requiring skill and technical knowledge, and of greater importance and responsibility than those of skilled mechanics." The Cleveland Technical High School is one of the best examples of this type of school. The school is open to both boys and girls. The course is four years in length. The first two years are devoted to manual training and "general industrial intelligence." Upon completing the work of the first two years, the student is expected to select a trade. The trades offered in 1909 were cabinet making, pattern making and foundry practice, machine-shop practice, architectural and mechanical drawing, printing and bookbinding, pottery, and applied designed millinery, catering and cooking. The school is in session forty-eight weeks in the year. Evening classes for workers in different trades are also conducted.

Correspondence and Night Schools. Only a small fraction of the boys and girls of our country graduate from high school. Many leave school and go into industry at an early age. The public school stands ready to help the boy or girl who is not

obliged to work at an early age; but the benefits of free public instruction are rarely offered the young worker. Many of these workers are aware of the desirability of more instruction and training, but the school door swings shut before the day's work in shop, store, or office is completed. Our public school authorities apparently overlook the needs of the young wage earner. We have the buildings and the equipment; but in nearly all the cities the school property is unused during the latter part of the afternoon and during the evening. Private agencies — the private night school, the Y. M. C. A. night school, and the correspondence school — have come into being to supply a demand for practical or vocational training which unfortunately our public schools rarely attempt to fill. These institutions are more or less successfully and faithfully offering trade, industrial, scientific, and commercial education to the ambitious young wage earners. The continuation school for young workers, and, if necessary, correspondence instruction should be provided as an integral part of our public school work. The University of Wisconsin aims to give instruction to "anybody, anywhere, anytime." This should be the mission of our public educational system which reaches from the kindergarten to the graduate and professional courses of the state university. Under present conditions in industry — the long working day and the high tension under which many labor — many workers are unfitted for night school instruction. With the introduction of an eight- or a nine-hour day, the force of this objection to night instruction is diminished. If the custom of allowing a half-holiday each week is generally adopted, another opportunity for school work is offered. A square deal in the matter of education means an opportunity for vocational and cultural training for all young persons, whether wage earners or not. It is an unjustifiable discrimination to oblige the young worker to pay tuition to a private school in order

to obtain the kind of training which is valuable to him as a wage earner and a craftsman. No educational system which does not reach the young toiler as well as those who are not forced into industry at an early age is worthy of a high rank in the present era.

The Conflict of Ideals in Regard to Industrial Education. The chief standards for the measurement of educational values are four in number — practical, cultural, psychological, and social. The practical standard is important because of the demand for trained and efficient workers in business and professional life. Commercial, trade, industrial, agricultural, and professional training are grouped under the head of practical education. Today the emphasis is placed upon trade and commercial education; but professional training for the law, theology, medicine, and pedagogy was in former generations the most important of the practical work of the educational system.

The prestige which still surrounds the cultural and classical form of education is purely traditional, and is based in a large measure upon class prejudice. The cultural form of modern education was formerly the practical; it was once a part of the necessary training of the professional man. By a curious, but not unusual, process of slow evolution it is now esteemed because it bestows upon its possessors ideals and mannerisms which are distinctly opposite to those of present day practical education. Modern cultural or classical training is an outgrown, out-of-date form of practical education. The effect of such training is to carry old ideals, habits of thought, and class demarcations down into modern industrial society. It leads to conservatism and tends to focus the mind upon problems which do not directly and vitally touch modern and complex life.

Modern psychological study and investigation show that a certain variety and sequence of training are necessary in

order that each and every individual may develop his maximum mental and manual ability. The psychological demand is for a well-rounded development of the student. The social criterion for educational efficiency is based upon the democratic demand for good citizenship and for racial efficiency. It places a high valuation upon that which tends to break down class demarcation, to reduce artificial inequality, and to uplift the human race as a whole.

Up to a recent date, business interests have emphasized the importance of the purely practical standard. They have desired that students in our public schools be equipped to fit into some definite place in the factory, store or office. But along with employment management and shop committees has come a new concept of the ideal worker. The forward-looking business man of today is discarding the idea that, except for a few skilled men, the worker should be a plodding, unthinking and narrowly trained piece of human machinery. The so-called educational and so ial reformers and the leaders and thinkers among organized labor are urging the importance of the psychological and social demands. These interests stand firmly for the view that the school system of today is for the training of thinking, as well as of working, men and women. Organized labor demands that the vocational training of the schools shall "make the apprentice or graduate a skilled craftsman in all branches of his trade." They also object to "conditions which educate the student or apprentice to non-union sympathy and prepare him as a skilled worker for scab labor and strike-breaking purposes, thus using the children of the workers against the interests of their organized fathers and brothers in the various crafts." In short, organized labor demands vocational education in the public schools and under the direct control of the public school authorities. They object to anything which savors of control or supervision by employers of labor. The antagonism between the

adherents of the social and of the practical educational standards is very noticeable. The university and the college have not been free from influences which would restrict the work of investigation and bias the teaching of these institutions. The United States is now standing near the forks in the educational road. Fundamentally, the problem is one of educational and social ideals and values. Organized labor has much at stake; and recent events indicate that the problems centering around vocational training will not be neglected by our labor organizations.

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CHAPTER XIX

RECENT TENDENCIES

The Significance of Industrial Unionism. The future status of labor organizations will depend upon industrial and political progress. The trend of events in the past and present may furnish aid in discerning in a general way the direction in which we are moving. A study of industrial and social evolution provides some reasonable foundation for a tentative discussion of the present tendencies affecting the relations existing between labor, capital, and the general public. The evolution of political authority since the fall of the Roman Empire has been carefully studied by historians and publicists. Lagging behind in the shadow of this development is a somewhat similar transformation in industrial affairs. The latter movement is less spectacular, and up to recent times has never attracted much attention. In their political evolution the most progressive Western nations have passed from exploitative, barbarian-warrior control to absolute centralized management, on to the admission of the commercial and manufacturing interests to participation in governmental functions, to the use of the constitutional form of government, and finally to the modern democracy with its broad suffrage provisions. A similar evolution may be traced in the realm of religion and in the family life. The industrial world is the last stronghold of the despotic principle.

The days of the mercantile system and the preceding epochs may be said to constitute the ancient industrial world. The gild system, with its master workmen, journeymen, and apprentices, was a sort of industrial feudalism. Gunpowder

was fatal to the feudal régime; and the steam engine doomed industrial feudalism. After incessant struggles political feudalism finally gave way to the centralized autocracy typified by Louis XIV and Frederick the Great. In the industrial world, after the advent of the wonder-working steam engine, multitudes of small, competing businesses of short and uncertain life are found. A period of speculation, fierce competition, personal rivalry, and economic uncertainty followed. Gradually, with more or less friction evinced by strikes, agitations, and so-called reform movements, conditions became more and more stable; some enterprises grew larger, others, ruined or absorbed, disappeared. The large corporation, commonly called the trust, rose above the business horizon, and the market area expanded until its eastern and western frontiers met in the Orient and the Pacific isles. Business concerns are no longer ephemeral; they continue from generation to generation. Business is now placed upon a firm and calculable basis; the traditional rule-of-thumb methods and blind optimism have vanished. The economic middle ages are left behind, and the period of industrial nationalism is at hand. Strongly centralized absolutism in industry is now a characteristic of the business world. Vanderbilt's famous utterance is but a paraphrase of that more famous dictum of Louis XIV. The captains of industry are the industrial analogues of the enlightened despots in the political world of the eighteenth century.

The kings of the Middle Ages and of the early portion of the modern period considered their possessions and peoples as a large estate to be worked purely and solely for the benefit of the royal few; during the similar period in the industrial evolution of the Western nations the heads of business enterprises look solely to their own profits. In the first case, the view that government is for the welfare of the governed was not attained; in the other, the idea that business should be

carried on for the benefit of men in their double capacity of workers and consumers has not found a firm foothold. Faint glimpses of emergence from industrial absolutism are noticed in factory legislation, child labor laws, pure food bills, the demand for governmental regulation of trusts and for governmental arbitration in labor disputes. Gradually in the political world the masses of the people wrested authority from the hands of the kings, and constitutional forms of government were established. The king was no longer the state, and the kingdom his private estate. The kings in their opposition to the feudal lords fostered the commercial and industrial classes which later stripped the former of much of their authority; and the foreshadowing of a similar phenomenon may easily be recognized in the industrial field in recent decades. The autocratic monarch of the fifteenth, sixteenth, or seventeenth centuries was able to build his governmental structure by undermining the strength of the feudal barons; the modern captains of industry have forced the small capitalists to the wall and have reared their powerful industrial edifices upon the ruins of many small concerns. The trust has triumphed over the small business; but in so doing it has multiplied the number of wage earners and has improved their quality. Multitudes who under former conditions would have eagerly looked forward to business careers as entrepreneurs must now be content with the more prosaic positions offered the employees of large corporations. The fact that workers cannot, with a few conspicuous exceptions, become employers is cementing them together, and will give them power to prevent encroachments upon what is conceived to be their rights. Changed economic conditions are forcing certain classes of technical and professional workers into unionism or into an attitude favorable to union action. For example, the tendency toward commercialization of school management is forcing "union-

ization" of the school teachers in self-defense. Centralization of power and of wealth in the industrial field is building up opposition to itself in obedience to the law that action and reaction are equal and opposite in direction. Trusts and large corporations reduce the relative number of employers and small business men, and increase the relative number of employees. The latter band together and, as labor organizations, demand a larger share of the increased earnings due to the economy of large-scale industry. The captain of industry will probably share the fate of the autocratic monarch. The Louis XIV view of business is being gradually replaced by the democratic constitutional form. The employee and the general public are being gradually admitted into the councils of industry. A manager may no longer do exactly as he pleases in business management. The industrial world is actually emerging, as did the political world, from its era of autocracy.

Union men assert that they have the right to be factors in fixing the conditions under which they shall labor. They are demanding a measure of self-rule and self-direction in the industrial world. The general public is extending its control over the industrial field by means of legislation and by means of judicial decisions which extend the police power of the state. A dim and indistinct ideal of a form of industrial democracy is beginning to be outlined in public opinion. The occasional pronunciamentos of certain employers sound to many almost mediëval in tone. "There is nothing to arbitrate," "We intend to be masters in our own houses," and "It is regrettable that our workpeople are able to change their positions at any time," sound strangely in the ears of the average man and woman of today. Exactly as our forefathers sought to break down absolutism in government, the labor unions of today seek through governmental interference and organized strength to break down absolutism in the

industrial sphere. The significance of the present struggles between labor and capital is only clearly seen when looked at from this point of view.

A movement fraught with great significance for our national life and our industrial progress is the rise and growth of industrial unions. These organizations must be carefully distinguished from the older and better known trade unions which were modeled in some measure after the fashion of the English unions. In the industrial union the unskilled man — the man who tends the machine or who works in the gang, the wage earner who is known by his number — comes to the front. The unskilled man is an interchangeable link in a gigantic industrial chain; his work approximates that of the machine, and from time to time the machine does encroach upon his round of duty. The skilled man or artisan is distinguished by greater individuality and personal initiative. While the tendency in recent times is in many cases, particularly among the lower ranks of the skilled, toward uniformity of work and wage, we may yet distinguish more or less clearly between the two. Le Bon, the French sociologist, distinguishes between these two classes in a striking manner. "The artisan advances only by merit, the *employé* by seniority. The *employé* is only of significance through the whole of which he is a part. The artisan represents a unit having a value of itself." The psychology of the two classes is different. The trade union is dominated by the skilled man; but the new industrial unionism places the key to the situation in the hands of the unskilled. Professor Veblen asserts that all those engaged in modern industrial or scientific work are especially liable to be affected by socialistic sentiments; but the feeling of solidarity is stronger among the unskilled than among the skilled. When the labor unions succumb to the leadership of the unskilled, as inevitably they must, a new era in unionism will be just ahead; and its results may indeed

be momentous. Such a change will be nothing less than the natural and logical result of the steadily increasing standardization of industry and the minute subdivision of labor with its accompanying increase in the number of the unskilled which the census reports so plainly and unmistakably indicate.[1]

With the standardization, unification, and centralization of industry comes the possibility of bureaucratic control. Routine and red-tape begin to replace experimentation and individual initiative. The number of the unskilled increases, and the skilled begin to advance by seniority rather than by merit. Business methods begin to savor of the tread-mill and the lock-step. Business and industrial life, from bottom to top, tends to lose the charm of freshness and unexpectedness which formerly characterized it. With this change in industrial and business procedure and with the reduction in the length of the working day comes a modification in the use of leisure time. Now arise the cheap theater, the nickelodeon, physical culture, the yellow newspaper with its sensationalism, the Coney Islands, the club, the new status of woman, and modern socialism. The development of the play side of our nature suddenly attracts nation-wide attention. Our surplus energy — the desire for sensation, change, excitement — should be turned into other channels than those which lead to sensuality and debauchery. This can only be done by broadening the interests of the masses of the people, by opposing the narrowed industrial and home life with the love of art, athletics, political affairs, literary studies, and the like. The rise of the industrial union is the flaming signal which informs the nation that a new industrial situation confronts it.

Adult male suffrage in the United States was achieved principally by the men of the frontier and the workers in the

[1] For a different interpretation, see Ely, *Outlines of Economics* (revised edition), pp. 133–134.

newly-born industrial cities, — men who were diametrically opposed in interests and views of life to the aristocratic conservatives and trained political leaders of Massachusetts and Virginia. The movement in the industrial field will come, not from the skilled men who stand close to the leaders and directors of our industries, but from that industrial frontiersman, the unskilled or common workman. He is beginning to understand the value of unionism; solidarity is becoming concrete and tangible to him. It seems safe to prophesy that the members of the industrial unions will, in the not distant future, be found entering the political arena as a unit for certain fundamental demands. The industrial unionists will soon learn to disregard obsolete and illusory party lines. Our great industrial cities seem destined to stand in the forefront of the movement toward some form of industrial democracy.

Trade autonomy and industrial autonomy are essentially antagonistic; but industrial unionism and trade unionism are not necessarily antagonistic to each other. Industrial and trade unions might exist side by side, and for complete and effective organization both seem to be necessary. The United Mine Workers, for example, should control all mine workers; but the stationary engineers ought also to belong to a trade union of engineers. At least two reasons may be presented to support this contention. (1) An engineer belonging to a trade union may readily pass from the mining industry to some other. He is still a member of his trade union, but he will transfer from one industrial union to another, as changes in the labor market may indicate. If he is only an industrial unionist, he cannot readily seek employment outside the mining industry. (2) In the event of a strike in the mining industry union engineers will not take the place of those on a strike if all engineers belong to the same trade union. The case of the brewery workers and the teamsters is a parallel one. Considering the increasing intricacy and solidification in the field of organized

capital, the conclusion is that the industrial unions organized in the large industries, such as mining, will be forced to "act closely with the unions of many trades, and that the unions of all trades must coöperate with those of many industries."[1] The building trades councils in various cities preserve trade organizations, but affiliate together as an industrial group.

Political Activity. The experiences of the labor organizations of last century that went into politics were disastrous. The labor movement of the twenties was wrecked by the workingmen's parties of 1828 to 1831. The labor parties of the early seventies were not notably successful. The Knights of Labor suffered because of dabbling in politics. Labor organizations have found their chief work to be in securing immediate benefits from their employer in the shape of higher wages and better working conditions. For a labor organization to enter the political field signifies that it must turn aside from the work in which its successes have been scored and enter a new field. Political action brings in slower returns and benefits which are more widely distributed.

If labor is to become an important political force in America as it has in England and Australia, what are the incident forces which will be chiefly responsible for wrenching labor organizations out of the grooves of business unionism into the broader track of political action? The entrance of labor organizations into the political field signifies that the feeling of solidarity of interests between different classes of unionists is growing, and that the old business policies involving wage bargaining, local strikes, and boycotts are losing their potency. An increase in solidarity may be the result of the increased prominence of the machine and of the subdivision of labor which knits the interests of the skilled and unskilled closer together; or it may be due to the rising tide of opposition to labor

[1] Walling, "The New Unionism," *Annals.* Vol. 24 : 314.

organizations growing directly out of the efforts of employers' associations. The effectiveness of the old line of business policies has also been impaired by the knitting together of capital into trusts and associations which present a united front to labor, and by recent court decisions which have in a measure reduced the value of the strike and of the boycott as weapons in the hands of organized labor. Every hard blow delivered against unionism by organized capital helps to turn the eyes of workingmen toward the political field.

The wage earners are not represented in Congress or in the state legislatures in proportion to their numerical strength, and many of their "friends" among the old party representatives do not always vote for the measures demanded by organized labor. In recent years the "labor lobby" has scored many failures, and leaders of the anti-union employers' associations have openly boasted of their political influence. In many industrial centers the workingmen cast a large fraction of the total vote. A labor party which actually obtained a large percentage of the labor vote could place its candidates in the legislature of every important industrial state of the union and could also elect a few members of the House of Representatives. A comparatively small number of ardent labor men in legislative halls could do much to further the interests of labor. The latent political power of labor is considerable. A labor party, socialistic or otherwise, is certain to appear soon after the average union man is thoroughly convinced that the old line business unionism has met obstacles which it cannot surmount. When the laboring men are convinced that immediate results cannot be obtained through trade-union action, they will adopt new policies and emphasize new ideals; but as long as their union can raise their wages and improve working conditions, they will be content to vote the old party ticket.

While the American Federation of Labor has for years

advised their members, in a perfunctory manner, to vote for their friends regardless of party lines, until 1906, beyond maintaining a lobby at Washington and at certain state capitals, it took little part in political activities. In that year the executive council issued a campaign program for the purpose of removing "all forms of political servitude and party slavery." The executive council demanded the defeat of all candidates who were hostile or indifferent to the interests of labor. In case both parties nominated such men, it was urged that a third candidate be placed in the field. In the presidential campaign of 1908 President Gompers actively endeavored to induce the workingmen to support the democratic ticket, and he estimated that about eighty per cent. of votes of organized labor were cast as recommended by the Federation. The conservative leaders of the American Federation of Labor are apparently convinced that state aid is necessary, or at least extremely desirable, to support purely trade-union activity.

A strong and fairly permanent labor party cannot come into existence until the workers in the various trades and industries have faced sufficient opposition to force them to recognize the significance of the phrase "the solidarity of labor," or until the necessity of "united working-class action" is clearly demonstrated by the failure of the traditional union methods. As long as free land existed, as long as the most capable and ambitious employees hoped to become employers or high-salaried officials, or as long as the old line business unionism continues to be fairly successful, organized labor may not be expected to enter the political arena as a unified body. Mr. Gompers' attempt in 1908 to swing the labor vote to Mr. Bryan was apparently a failure; but the bitter opposition of large employers' associations and the antagonistic court decisions are forcing the unionists to further consider the advisability of political action. The traditional

distrust of political action and the ingrained prejudices and feelings of the typical unionist will finally yield under the pressure of the opponents of organized labor.

The policy of the National Civic Federation is to encourage and continue the old line business unionism and to discourage political activity on the part of organized labor. Consciously or unconsciously this organization is trying to stem the tide which is setting in toward the new unionism which minimizes trade demarcations, which looks toward political activity, and which manifests marked socialistic proclivities. On the other hand, the policy of the employers' associations which are openly hostile to labor are driving labor to adopt more and more radical methods of procedure. The reactionary employers' associations are destroying trade unionism of the bargaining type and are building up a solid group of class-conscious industrial unionists who believe in the general strike, who refuse to make wage contracts, who are not interested in the closed shop, who believe in political activity, and who are ready to adopt many of the policies of the socialist.

If it is desirable that a class-conscious and united army of wage earners be developed, then the bitterest opponents of organized labor are its friends in disguise. Some of the evidences of class consciousness are the sympathetic strike and the wide-spread boycott, the financial assistance frequently given by unions of other trades to strikers, the assistance, financial and otherwise, given Moyer, Haywood, and Pettibone, the general acceptance by the workingmen of the opinion that a wage earner must ever remain a wage earner, and the increasing bitterness in the tone of the labor press. The Moyer, Haywood, and Pettibone trial, the contempt of court proceedings against Gompers, Mitchell, and Morrison, the invectives of the leaders of anti-union employers' associations, the use of the injunction in the coal miners' strike

in 1919, and the familiar and determined attempts of certain large corporations to introduce or to maintain the open shop, have done much to draw the ranks of organized labor together. Greater political activity on the part of organized labor may be anticipated in the near future. In 1920, a vigorous endeavor was made to organize a national labor party.

Outside the ranks of the Socialist Party, labor in the United States has three distinct political programs. (1) The American Federation of Labor leaders continued to adhere to the old non-partisan plan of 1906. This plan called upon organized labor to disregard party lines and to vote for "the friends" and against "the enemies" of labor on the old party tickets. Organized labor was to be partisan to a principle but not to a party. The success of this program in the past is not evident to the student of the labor movement nor to many within the ranks of organized labor. During the War, the American Federation doubtless acquired much political strength and prestige. Mr. Gompers and other labor leaders did magnificent work in steadying the forces of labor during that period of national stress. Conservative labor leaders were given places on the numerous boards which appeared like mushrooms. But following the armistice came a period which was very galling to the pride of labor leaders. The administration did not grant the requests of railway workers for increased wages, and the injunction was used by it in the coal strike. Organized labor suddenly reached the conclusion that its policies were no longer looked upon with favor by Congress and by the Executive, — in short, its friends were not in office. The leaders of the American Federation of Labor demanded in 1920 united support for their policy in order to put the friends of labor into positions of political power. It was vigorously asserted that the organization of a separate labor party would be "disastrous to the wage earners of our country and to the interests of all forward-looking people."

This program does not call for coöperation with the "intellectuals," the farmers, or with any other group. Organized labor is to go alone as a solid group, but without any party organization.

(2) The second plan is that of the Working People's Nonpartisan League. The Minnesota Federation of Labor was sponsor for this movement. In 1920, it was proposed to put an independent ticket in the field in Minnesota and possibly in other states. Unlike the plan of the American Federation, the League sought coalitions with other groups, aimed to build up a political organization, and to elect the candidates of the League. Specifically, it hoped to unite with the Farmers' Nonpartisan League.

(3) The third program involved the organization of a National Labor Party. In 1918 and 1919, several local and state labor parties were organized. In November, 1919, a national party was launched. The strongholds of the labor party movement are in the Middle West. The State Federations of Labor of at least three states have declared for the party policy and against the non-partisan program of Mr. Gompers. The coal miners, smarting under the injunction of 1919, are favorable to the party program. The mission of the new party as stated in the resolutions adopted at the Chicago convention of November, 1919, is as follows: — "The Labor party was organized to assemble into a new majority the men and women who work but who have been scattered as helpless minorities in the old parties under the leadership of the confidence men of big business." Among the planks of the platform are: — the nationalization of "all basic industries which require large-scale production and are in reality upon a non-competitive basis"; government management of the banking business; better credit facilities for farmers; a comfort wage; free speech and assembly; the curtailment of abolition of the right of the

courts to declare laws unconstitutional. The more radical and insurgent elements within the American Federation are being attracted by the party movement. In spite of the opposition of Mr. Gompers and other conservative labor leaders, the labor party movement bids fair to persist (June, 1920). If a labor party is to become a powerful factor in the near future, it must be able to obtain the united support of wage earners, and also to appeal to brain workers and professional men, and to the farmers. Unless it can accomplish this difficult task, it will remain an insignificant third party in a two-party system.

Socialistic Tendencies. The growth of class consciousness and the resort to political action are indicative of socialistic proclivities on the part of members of labor organizations. For years socialists have constituted an important and energetic minority in many unions. Socialist delegates have repeatedly tried, but without success, to commit the American Federation to the policy of collective ownership of the means of production. In the 1900 meeting, a resolution was introduced recommending that unionists carefully study the growth of trusts and monopolies "with a view to nationalizing the same." This resolution was adopted, but not until the clause committing the Federation to collective ownership was eliminated. Various resolutions have, however, been passed by state federations of labor, by city central labor unions, and by nearly a score of national and international unions, endorsing collective ownership and operation of the means of production. For example, the United Mine Workers, "in the light of the industrial depression that has haunted America for more than a year," declared in its annual convention in favor of collective ownership and operation of the means of production and exchange, so "that every man or woman willing and able to work can have free access to the means of life and get the full social value of what they pro-

duce." The organized brewery workers are quite definitely committed to the principles of socialism. "The officers of the organization never fail to impress the members with the fact that it was their duty to join the Socialist movement, to vote the Socialist ticket, and to learn to understand Socialism." [1] The International Union of Mill, Mine, and Smelter Workers is strongly impregnated with socialism.

The phrases of the socialists are frequently upon the lips of the union man. A resolution of the United Mine Workers speaks of the "predatory rich" who "are co-existent with the countless thousands" in poverty. The International Union of United Brewery Workmen in their declaration of principles use these words: "The few hundred owners take for themselves the larger part of the wealth produced by the workingmen." The Iron Molders assert in the preamble of their constitution that "under the present social system there is a general tendency to deny the producer the full reward of his industry and skill." The Industrial Workers of the World in the first sentence of the preamble of their constitution declare: "The working class and the employing class have nothing in common." In the preamble to the constitution of the Amalgamated Clothing Workers is found this phrase: "Every oppressed class in history achieved its emancipation only upon its attaining economic supremacy." The unionist and the socialist are both convinced that the wage earner does not receive his proper share of the results of his toil. The socialist is more radical than the unionist; but many of the latter are following in the footsteps of the former.

The Socialist Party was split in 1917 on the question of our participation in the War. The pro-War members left the party. In September, 1919, the party was again divided; and two new revolutionary parties were formed. One group

[1] Schlüter, *The Brewing Industry and the Brewery Workers' Movement in America*, p. 248.

retained the old party name; it is composed of the somewhat conservative radicals who believe in bringing about the overthrow of capitalism by political and evolutionary means. The other two groups took the names, Communist Labor Party and Communist Party; these are more radical. Both lay little stress upon political action. The members of the two groups demand revolutionary activities in order to bring about the downfall of the capitalist system. The revolutionists are quite willing to take Russian Bolshevism as a guide. The Communist Party is composed largely of foreign-speaking groups among which are many Russians. The Communist Labor Party is dominated by American radicals.

The differences between these two new parties of the extreme Left are not fundamental. It is quite probable that the Communist Labor Party will soon disappear. One portion may be expected to go back into the socialist fold and the other to unite with the Communist Party. According to one estimate, the membership of the Communist Labor Party is 10,000, and of the Communist Party, 60,000. Another estimate places the membership of each party at 30,000. The Bolshevists have in the United States, therefore, a party membership of 60,000 to 70,000. The Industrial Workers of the World with a shifting membership may also be counted as a Bolshevist element. Perhaps 100,000 to 150,000 men and women in the United States may be counted as advocates of Bolshevism.[1] But there are doubtless many more discontented workers, smarting under real or fancied grievances, who are in the mood to be easily reached by the propagandist who confidently offers an immediate, though vague, Utopia. The American Socialist Party in 1920 was a middle-of-the-road radical party.[2]

[1] For accounts of the Communist and Communist Labor Parties, see Watkins, *Atlantic Monthly*, December, 1919; and Chenery, *The Survey*, January 31, 1920.

[2] See article by the writer in *The Bay View Magazine*, May, 1920.

Other Tendencies. The American Federation of Labor and many of the old-line national unions, such as the railway brotherhoods, tend to become big institutional machines directed by officials out of touch with the rank and file. In times of stress, insurgent movements are almost certain to appear. Radical and discontented members break away and form new "dual" unions or become "outlaws" or insurgents while retaining nominal membership. The years 1919 and 1920 have witnessed movements of this sort. The "outlaw" strikes in the railway industry in the spring of 1920, the recalcitrant attitude of certain groups of coal miners in the fall of 1919, the strikes or "vacations" in the autumn of 1919 on the part of the members of local unions in the printing industry in spite of the opposition of the national organization, and the development of a labor party in the face of the disapproval of the American Federation officials, are tokens of a rising wave of insurgency in labor circles against the "regulars" in control. A representative of the local trade unions of Passaic, New Jersey, voiced the following sentiment in a speech before the City Council: — "I tell you, gentlemen, you are treading on dangerous grounds. Samuel Gompers, that good old man, has headed the American Federation of Labor for thirty-two years. He has held labor in check, and has held it well. . . . However, the time is coming when he cannot hold it. Labor will show its teeth, and butt." The shop steward's movement in England is indicative of growing dissatisfaction with the officers of the old-line English trade unions. Insurgency in American unions may be interpreted as an attempt to give the impetuous rank and file harassed by the high cost of living and impatient of the slow gains of business unionism, a more direct and more potent voice in the management and in the determination of the policies of labor organizations.

The recently proposed amalgamation of the Amalgamated

Clothing Workers and the Amalgamated Textile Workers, two unions outside of the American Federation of Labor; the plan favored in 1920 by the International Ladies Garment Workers' Union of forming an alliance of all unions of men's and women's garment and cloth headgear workers, — an alliance of the needle trades; and the temporary united efforts of twenty-four organizations in the steel strike of 1919 clearly point toward a growing unity of action among allied trades. Another tendency, which the rising cost of living has greatly accelerated, is found in the organization of municipal employees, "white collar" workers, and professional workers. Among the new organizations many of which are affiliated with the American Federation of Labor, are: — The American Federation of Teachers, including certain locals composed of university teachers; the International Association of Fire Fighters; the National Federation of State, County and City Employees; the Library Employees' Union of New York; organizations of school custodians and janitors; a union of draftsmen; and others of a similar type.[1] Organized labor in the United States may be expected to experience significant changes in program, methods and membership in the near future.

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